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DRAFT RED HERRING PROSPECTUS

Dated: March 26, 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 Issue



JOYALUKKAS INDIA LIMITED

CORPORATE IDENTITY NUMBER: U51398KL2002PLC015372

REGISTERED AND CORPORATE OFFICE	CONTACT PERSON	EMAIL AND TELEPHONE	WEBSITE
Door No. 5/309-3, Bishop Alapatt Road Fathima Nagar, Mission Quarters Thrissur District, Thrissur 680 005 Kerala, India	Geetha G. Nair <i>Company Secretary and Compliance Officer</i>	E-mail: investors@joyalukkas.com Tel: +91 487 232 9222	www.joyalukkas.in

OUR PROMOTER: ALUKKAS VARGHESE JOY

DETAILS OF THE ISSUE TO PUBLIC

TYPE	SIZE OF FRESH ISSUE	SIZE OF OFFER FOR SALE	TOTAL ISSUE SIZE	ELIGIBILITY AND SHARE RESERVATION AMONG QIB, NII & RII
Fresh Issue	Up to [●] Equity Shares aggregating up to ₹ 23,000 million	Not applicable	Up to ₹23,000 million	The Offer is being made pursuant to Regulation 6(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (" SEBI ICDR Regulations "). For further details, see " <i>Other Regulatory and Statutory Disclosures – Eligibility for the Issue</i> " on page 301. For details in relation to the share reservation among QIBs, RIBs and Non-Institutional Bidders, see " <i>Issue Structure</i> " on page 321.

DETAILS OF THE OFFER FOR SALE

NAME OF SELLING SHAREHOLDER	TYPE	NUMBER OF SHARES OFFERED/ AMOUNT (₹ IN MILLION)	WEIGHTED AVERAGE COST OF ACQUISITION (IN ₹)
Not applicable			

RISKS IN RELATION TO THE FIRST ISSUE

The face value of the Equity Shares is ₹10 each. The Floor Price, Cap Price and Issue Price as determined by our Company in consultation with the Book Running Lead Managers ("**BRLMs**") on the basis of assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under "*Basis for Issue Price*" on page 88 in accordance with the SEBI ICDR Regulations, should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding active and/or sustained trading in the Equity Shares nor 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 the Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "*Risk Factors*" on page 19.

COMPANY'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 the Issue, which is material in the context of the Issue, 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.

LISTING

The Equity Shares to be Allotted through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges being BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**" together with BSE, the "**Stock Exchanges**"). For the purposes of the Issue, the Designated Stock Exchange shall be [●].

BOOK RUNNING LEAD MANAGERS

Name of the Book Running Lead Manager and logo	Contact person	Telephone and e-mail	Name of the Book Running Lead Manager and logo	Contact person	Telephone and e-mail
 Edelweiss Financial Services Limited	Lokesh Shah	Tel: +91 22 4009 4400 E-mail: joyalukkas.ipo@edelweissfin.com	 Motilal Oswal Investment Advisors Limited	Kirti Kanoria/ Ritu Sharma	Tel: +91 22 7193 4380 E-mail: joyalukkas.ipo@motilaloswal.com
 Haitong Securities India Private Limited	Aditya Gaitonde	Tel: +91 22 4315 6853 E-mail: joyalukkas.ipo@htsec.com	 SBI Capital Markets Limited	Aditya Deshpande/ Janvi Talajia	Tel: +91 22 2217 8300 E-mail: joyalukkas.ipo@sbicaps.com

REGISTRAR TO THE ISSUE

Name of the Registrar	Contact person	Telephone and e-mail
Link Intime India Private Limited	Shanti Gopalkrishnan	Tel: +91 22 4918 6200 E-mail: joyalukkas.ipo@linkintime.co.in

BID/ISSUE PERIOD

ANCHOR INVESTOR BIDDING DATE	[●] ⁽¹⁾
BID/ISSUE OPENS ON	[●]
BID/ISSUE CLOSES ON	[●] ⁽²⁾

⁽¹⁾ Our Company may, in consultation with the BRLMs, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/ Issue Opening Date.

⁽²⁾ Our Company may, in consultation with the BRLMs, consider closing the Bid/ Issue Period for QIBs one Working Day prior to the Bid/ Issue Closing Date in accordance with the SEBI ICDR Regulations.



JOYALUKKAS INDIA LIMITED

Our Company was incorporated as a private limited company in the name of 'Joy Alukkas Traders (India) Private Limited' under the Companies Act, 1956 and a certificate of incorporation dated April 22, 2002 was issued by the RoC. Subsequently, the name of our Company was changed to 'Joyalukkas India Private Limited' pursuant to a special resolution passed by our shareholders on December 16, 2009 to reflect the scope of the business activities of the Company, consequent to which a fresh certificate of incorporation dated December 23, 2009 was issued by the RoC. Our Company was converted from a private limited company to a public limited company and the name of our Company was changed to 'Joyalukkas India Limited' pursuant to a special resolution passed by our shareholders on November 15, 2010, consequent to which a fresh certificate of incorporation dated December 9, 2010 was issued by the RoC. Our Company was then converted from a public limited company to a private limited company and the name of our Company was changed to 'Joyalukkas India Private Limited' pursuant to a special resolution passed by our shareholders on January 14, 2012, consequent to which a fresh certificate of incorporation dated March 13, 2012 was issued by the RoC. Our Company was then converted from a private limited company to a public limited company and the name of our Company was changed to 'Joyalukkas India Limited' pursuant to a special resolution passed by our shareholders on February 18, 2021, consequent to which a fresh certificate of incorporation dated March 22, 2021 was issued by the RoC. For further details of change in name and registered office of the Company, see "History and Certain Corporate Matters – Brief History of our Company" and "History and Certain Corporate Matters – Changes in the registered office" on pages 151 and 151, respectively.

Registered and Corporate Office: Door No. 5/309-3, Bishop Alappatt Road, Fathima Nagar, Mission Quarters, Thrissur District, Thrissur 680 005, Kerala, India; **Tel:** +91 487 232 9222
Website: www.joyalukkas.in; **Contact Person:** Geetha G. Nair, Company Secretary and Compliance Officer; **E-mail:** investors@joyalukkas.com

Corporate Identity Number: U51398KL2002PLC015372

OUR PROMOTER: ALUKKAS VARGHESE JOY

INITIAL PUBLIC OFFER OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹10 EACH ("EQUITY SHARES") OF JOYALUKKAS INDIA LIMITED ("COMPANY") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹[●] PER EQUITY SHARE) ("ISSUE PRICE") AGGREGATING UP TO ₹23,000 MILLION (THE "ISSUE"). THE ISSUE SHALL CONSTITUTE [●]% OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE FACE VALUE OF EQUITY SHARES IS ₹10 EACH. THE PRICE BAND AND THE MINIMUM BID LOT SHALL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BRLMS AND WILL BE ADVERTISED IN [●] EDITIONS OF [●], AN ENGLISH NATIONAL DAILY NEWSPAPER, [●] EDITIONS OF [●], A HINDI NATIONAL DAILY NEWSPAPER AND [●] EDITIONS OF [●], A MALAYALAM DAILY NEWSPAPER (MALAYALAM BEING THE REGIONAL LANGUAGE OF KERALA, WHERE OUR REGISTERED AND CORPORATE OFFICE IS LOCATED) EACH WITH WIDE CIRCULATION AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE AND SUCH ADVERTISEMENT SHALL BE MADE AVAILABLE TO THE STOCK EXCHANGES FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES IN ACCORDANCE WITH THE SEBI ICDR REGULATIONS.

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

The Issue is being made through the Book Building Process, in terms of Rule 19(2)(b) of the SCRR read with Regulation 31 of the SEBI ICDR Regulations and in compliance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Issue shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs"), and such portion, "QIB Portion" provided that our Company may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations ("Anchor Investor Portion"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors) including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Issue 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 up to ₹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 Bidders* and not less than 35% of the Issue shall be available for allocation to Retail Individual Bidders ("RIBs") in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Issue Price. All potential Bidders (except Anchor Investors) are required to mandatorily utilise the Application Supported by Blocked Amount ("ASBA") process by providing details of their respective ASBA accounts and UPI ID in case of RIBs using the UPI Mechanism, if applicable, in which the corresponding Bid Amounts will be blocked by the SCSBs or under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. Anchor Investors are not permitted to participate in the Issue through the ASBA process. For details, see "Issue Procedure" on page 323.

* This allocation methodology is effective from April 1, 2022, if the Bid/Issue Opening Date is on or after April 1, 2022.

RISKS IN RELATION TO THE FIRST ISSUE

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹10 each. The Floor Price, Cap Price and Issue Price as determined by our Company in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under "Basis for Issue Price" on page 88, in accordance with the SEBI ICDR Regulations, should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding active and/or sustained trading in the Equity Shares nor 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 the Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares in the Issue have not been recommended or approved by 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 "Risk Factors" on page 19.

COMPANY'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 the Issue, which is material in the context of the Issue, 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 or inclusion 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.

LISTING

The Equity Shares to be Allotted through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received 'in-principle' approvals from BSE and NSE for the listing of the Equity Shares pursuant to their letters dated [●] and [●], respectively. For the purposes of the Issue, the Designated Stock Exchange shall be [●]. A signed copy of the Red Herring Prospectus and the Prospectus shall be delivered to 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 up to the Bid/ Issue Closing Date, see "Material Contracts and Documents for Inspection" on page 346.

BOOK RUNNING LEAD MANAGERS TO THE ISSUE

REGISTRAR TO THE ISSUE

Edelweiss Financial Services Limited 6th Floor, Edelweiss House Off C.S.T. Road, Kalina Mumbai 400 098 Tel: +91 22 4009 4400 E-mail: joyalukkas ipo@edelweissfin.com Investor grievance e-mail: customerservice.mb@edelweissfin.com Website: www.edelweissfin.com Contact person: Lokesh Shah SEBI registration no.: INM0000010650	Haitong Securities India Private Limited 1203A, Tower 2A, Floor 12A One World Center 841, Senapati Bapat Marg Elphinstone Road, Mumbai 400 013 Maharashtra, India Tel: +91 22 4315 6853 E-mail: joyalukkas.ipo@htsec.com Investor grievance e-mail: grievance.india-ib@htsec.com Website: http://www.htsec.com/en-us/haitong-india Contact person: Aditya Gaitonde SEBI registration no.: INM000012045	Motilal Oswal Investment Advisors Limited Motilal Oswal Tower Rahimtullah Sayani Road Opposite Parel ST Depot Prabhadevi, Mumbai - 400 025 Maharashtra, India Tel: +91 22 7193 4380 E-mail: joyalukkas.ipo@motilaloswal.com Investor grievance e-mail: moiapredressal@motilaloswal.com Website: www.motilaloswalgroup.com Contact Person: Kirti Kanoria/ Ritu Sharma SEBI registration no.: INM000011005	SBI Capital Markets Limited 202, Maker Tower 'E' Cuffe Parade Mumbai 400 005 Maharashtra, India Tel.: +91 22 2217 8300 E-mail: joyalukkas.ipo@sbicaps.com Investor Grievance e-mail: investor.relations@sbicaps.com Website: www.sbicaps.com Contact person: Aditya Deshpande/ Janvi Talajia SEBI registration no.: INM000003531	Link Intime India Private Limited C-101, 1st Floor, 247 Park L.B.S. Marg Vikhroli West Mumbai - 400 083 Maharashtra, India Tel: +91 22 4918 6200 E-mail: joyalukkas.ipo@linkintime.co.in Investor grievance e-mail: joyalukkas.ipo@linkintime.co.in Website: www.linkintime.co.in Contact person: Shanti Gopalkrishnan SEBI registration no.: INR000004058

BID/ISSUE PERIOD

BID/ISSUE OPENS ON [●]⁽¹⁾ **BID/ISSUE CLOSES ON** [●]⁽²⁾

(1) Our Company may, in consultation with the BRLMs, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/ Issue Opening Date.

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

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

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

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

Notwithstanding the foregoing, the terms used in “Basis for Issue Price”, “Statement of Special Tax Benefits”, “Industry Overview”, “Key Regulations and Policies”, “History and Certain Corporate Matters”, “Financial Statements”, “Financial Indebtedness”, “Outstanding Litigation and Material Developments”, “Other Regulatory and Statutory Disclosures” and “Description of Equity Shares and Terms of Articles of Association” on pages 88, 91, 96, 147, 151, 182, 282, 284, 301 and 340, respectively, shall have the meaning ascribed to them in the relevant section.

General Terms

Term	Description
“our Company” or “the Company”	Joyalukkas India Limited, a public limited company incorporated under the Companies Act, 1956 and having its Registered and Corporate Office at Door No. 5/309-3, Bishop Alapatt Road, Fathima Nagar, Mission Quarters, Thrissur District, Thrissur 680 005, Kerala, India
“we”, “us” or “our”	Unless the context otherwise indicates or implies, refers to our Company

Company Related Terms

Term	Description
“Articles of Association” or “AoA”	Articles of association of our Company, as amended
Audit Committee	The audit committee of our Board, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations and as described in “ <i>Our Management – Committees of the Board – Audit Committee</i> ” on page 162
“Auditors” or “Statutory Auditors”	MSKA & Associates, the statutory auditors of our Company
“Board” or “Board of Directors”	Board of directors of our Company, and its duly constituted committees thereof
Company Secretary and Compliance Officer	Company Secretary and Compliance Officer of our Company, namely, Geetha G. Nair
“Corporate Social Responsibility Committee” or “CSR Committee”	The corporate social responsibility committee of our Board constituted in accordance with the applicable provisions of the Companies Act, 2013 and as described in “ <i>Our Management – Committees of the Board – Corporate Social Responsibility Committee</i> ” on page 165
Director(s)	The directors on the Board
Equity Shares	Equity shares of our Company of face value of ₹10 each
Group Companies	Our group companies, as disclosed in “ <i>Our Group Companies</i> ” on page 177
Independent Chartered Accountant	R.G.N. Price & Co., Chartered Accountants
Independent Directors	Independent directors on the Board, as disclosed in “ <i>Our Management</i> ” on page 156
IPO Committee	The IPO committee of our Board as described in “ <i>Our Management – Committees of the Board – IPO Committee</i> ” on page 167
“Key Managerial Personnel” or “KMP”	Key managerial personnel of our Company in accordance with Regulation 2(1)(bb) of the SEBI ICDR Regulations, Section 2(51) of the Companies Act and as disclosed in “ <i>Our Management – Key Managerial Personnel</i> ” on page 170
“MD” or “Managing Director”	Managing Director of our Company, namely, Alukkas Varghese Joy
“Memorandum of Association” or “MoA”	Memorandum of association of our Company, as amended

Term	Description
Nomination and Remuneration Committee	Nomination and remuneration committee of our Board, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations and as described in “ <i>Our Management – Committees of the Board – Nomination and Remuneration Committee</i> ” on page 164
Promoter	The promoter of our Company, namely, Alukkas Varghese Joy
Promoter Group	Individuals and entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, as disclosed in “ <i>Our Promoter and Promoter Group – Our Promoter Group</i> ” on page 174
“Registered and Corporate Office”	Registered and Corporate Office of our Company located at Door No. 5/309-3, Bishop Alapatt Road, Fathima Nagar, Mission Quarters, Thrissur District, Thrissur 680 005, Kerala, India
“Registrar of Companies” or “RoC”	Registrar of Companies, Kerala at Ernakulam
Restated Financial Information	Our restated statement of assets and liabilities as at September 30, 2021, September 30, 2020, March 31, 2021, March 31, 2020 and March 31, 2019 and the restated statement of profit and loss (including other comprehensive income), restated statement of cash flows and restated statement of changes in equity for the six months ended September 30, 2021 and September 30, 2020 and for the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019 of the Company together with the statement of significant accounting policies, and other explanatory information thereon, derived from the audited special purpose financial statements of our Company as at and for the six months ended September 30, 2021 and September 30, 2020 and the audited financial statements of our Company as at and for the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019, prepared in accordance with Ind AS specified under Section 133 of the Companies Act 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and restated in accordance with the requirements of Section 26 of Part 1 of Chapter III of the Companies Act, the SEBI ICDR Regulations and the Guidance Note on “Reports in Company Prospectuses (Revised 2019)” issued by the ICAI
Risk Management Committee	The risk management committee of our Board, constituted in accordance with the applicable provisions of the SEBI Listing Regulations and as described in “ <i>Our Management – Committees of the Board – Risk Management Committee</i> ” on page 166
Shareholders	Shareholders of our Company
Stakeholders’ Relationship Committee	The stakeholders’ relationship committee of our Board, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations and as described in “ <i>Our Management – Committees of the Board – Stakeholders’ Relationship Committee</i> ” on page 165

Issue Related Terms

Term	Description
Acknowledgement Slip	The slip or document issued by a Designated Intermediary to a Bidder as proof of registration of the Bid cum Application Form
“Allot”, “Allotment” or “Allotted”	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Issue to the successful Bidders
Allotment Advice	Note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus and who has Bid for an amount of at least ₹100 million
Anchor Investor Allocation Price	Price at which Equity Shares will be allocated to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be determined by our Company in consultation with the BRLMs
Anchor Investor Application Form	Application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion in accordance with the requirements specified under the SEBI ICDR Regulations and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus
Anchor Investor Bid/ Issue Period	One Working Day prior to the Bid/ Issue Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to Anchor Investors shall be completed
Anchor Investor Issue Price	Final price at which the Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Issue Price but not higher than the Cap Price. The Anchor Investor Issue Price will be decided by our Company in consultation with the BRLMs

Term	Description
Anchor Investor Pay-in Date	With respect to Anchor Investor(s), the Anchor Investor Bid/ Issue Period, and in the event the Anchor Investor Allocation Price is lower than the Anchor Investor Issue Price, not later than two Working Days after the Bid/ Issue Closing Date
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company in consultation with the BRLMs, to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations
“Application Supported by Blocked Amount” or “ASBA”	Application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorising an SCSB to block the Bid Amount in the 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	Bank account maintained with an SCSB by an ASBA Bidder, as specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the relevant ASBA Form and includes the account of an RIBs which is blocked upon acceptance of a UPI Mandate Request made by the RIBs using the UPI Mechanism
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidders	All Bidders except Anchor Investors
ASBA Form	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
Bankers to the Issue	Collectively, Escrow Collection Bank(s), Public Issue Account Bank(s), Sponsor Bank(s) and Refund Bank(s), as the case may be
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Issue and which is described in “ <i>Issue Structure</i> ” on page 321
Bid	Indication to make an offer during the Bid/ Issue Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/ Issue Period by an Anchor Investor, pursuant to submission of the Anchor Investor Application Form, to subscribe to 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 Bids indicated in the Bid cum Application Form 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.
Bid cum Application Form	Anchor Investor Application Form or the ASBA Form, as the context requires
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Bid/ Issue 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, which shall be notified in [●] editions of [●], an English national daily newspaper, [●] editions of [●], a Hindi national daily newspaper and [●] editions of [●], a Malayalam daily newspaper (Malayalam being the regional language of Kerala, where our Registered and Corporate Office is located), each with wide circulation. Our Company may, in consultation with the BRLMs consider closing the Bid/ Issue Period for QIBs one Working Day prior to the Bid/ Issue Closing Date in accordance with the SEBI ICDR Regulations. In case of any revision, the extended Bid/ Issue Closing Date shall also be notified on the websites of the BRLMs and at the terminals of the Syndicate Members and communicated to the Designated Intermediaries and the Sponsor Banks, which shall also be notified in an advertisement in the same newspapers in which the Bid/ Issue Opening Date was published, as required under the SEBI ICDR Regulations
Bid/ Issue Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, which shall be notified in [●] editions of [●], an English national daily newspaper, [●] editions of [●], a Hindi national daily newspaper and [●] editions of [●], a Malayalam daily newspaper (Malayalam being the regional language of Kerala, where our Registered and Corporate Office is located), each with wide circulation
Bid/ Issue Period	Except in relation to Anchor Investors, the period between the Bid/ Issue Opening Date and the Bid/ Issue Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof, in accordance with the SEBI ICDR Regulations and the terms of the Red Herring Prospectus. Provided however, that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors
Bidder	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

Term	Description
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
Book Building Process	Book building process, as provided in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Issue is being made
“Book Running Lead Managers” or “BRLMs”	The book running lead managers to the Issue, namely, Edelweiss, Haitong, Motilal Oswal and SBICAP
Broker Centres	Centres notified by the Stock Exchanges where ASBA Bidders can submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
“CAN” or “Confirmation of Allocation Note”	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bid/ Issue Period
Cap Price	Higher end of the Price Band, subject to any revisions thereto, above which the Issue Price and the Anchor Investor Issue Price will not be finalised and above which no Bids will be accepted. The Cap Price shall be at least 105% of the Floor Price
Cash Escrow and Sponsor Banks Agreement	Agreement to be entered amongst our Company, the BRLMs, Syndicate Members, the Bankers to the Issue and Registrar to the Issue for, <i>inter alia</i> , collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Issue Account and where applicable, refunds of the amounts collected from Anchor Investors, on the terms and conditions thereof
Client ID	Client identification number maintained with one of the Depositories in relation to dematerialised account
“Collecting Depository Participant” or “CDP”	A depository participant as defined under the Depositories Act registered with SEBI and 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 respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), as updated from time to time
Cut-off Price	Issue Price, finalised by our Company in consultation with the BRLMs, which shall be any price within the Price Band. Only RIBs Bidding in the Retail Portion are entitled to Bid at the Cut-off Price. QIBs (including the 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, bank account details and UPI ID, wherever applicable
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at 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
Designated CDP Locations	Such locations of the CDPs where ASBA Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), as updated from time to time
Designated Date	The date on which the Escrow Collection Bank(s) transfer funds from the Escrow Account to the Public Issue Account or the Refund Account, as the case may be, and/or the instructions are issued to the SCSBs (in case of RIBs using the UPI Mechanism, instruction issued through the Sponsor Banks) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Issue Account or are unblocked, as the case may be, in terms of the Red Herring Prospectus and the Prospectus after finalization of the Basis of Allotment in consultation with the Designated Stock Exchange, following which Equity Shares will be Allotted in the Issue
Designated Intermediary(ies)	In relation to ASBA Forms submitted by RIBs 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 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 (excluding Anchor Investors) and Non-Institutional Bidders, 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. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA

Term	Description
	Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Stock Exchange	[●]
“Draft Red Herring Prospectus” or “DRHP”	This draft red herring prospectus dated March 26, 2022 filed with SEBI and issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Issue, including any addenda or corrigenda thereto
Edelweiss	Edelweiss Financial Services Limited
Eligible NRI(s)	NRI(s) from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the Bid cum Application Form and the Red Herring Prospectus will constitute an invitation to subscribe to the Equity Shares offered in the Issue
Escrow Account	The ‘no-lien’ and ‘non-interest bearing’ account(s) to be opened with the Escrow Collection Bank(s) and in whose favour the Bidders (excluding ASBA Bidders) will transfer money through NACH/direct credit/NEFT/RTGS in respect of the Bid Amount when submitting a Bid
Escrow Collection Bank(s)	Bank(s) which are clearing members and registered with SEBI as banker(s) to an issue under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and with whom the Escrow Account will be opened, in this case being [●]
“First Bidder” or “sole bidder”	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	Lower end of the Price Band, subject to any revision(s) thereto, not being less than the face value of Equity Shares, at or above which the Issue Price and the Anchor Investor Issue Price will be finalised and below which no Bids will be accepted
General Information Document	The General Information Document for investing in public issues prepared and issued in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the 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
Haitong	Haitong Securities India Private Limited
Issue	The initial public offer 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 ₹23,000 million by our Company.
Issue Agreement	Agreement dated March 26, 2022 entered into amongst our Company, our Promoter, and the BRLMs, pursuant to which certain arrangements have been agreed to in relation to the Issue
Issue Price	The final price at which Equity Shares will be Allotted to ASBA Bidders in terms of the Red Herring Prospectus and the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Issue Price which will be decided by our Company in consultation with the BRLMs in terms of the Red Herring Prospectus and the Prospectus. The Issue Price will be decided by our Company in consultation with the BRLMs on the Pricing Date in accordance with the Book Building Process and the Red Herring Prospectus
Issue Proceeds	The proceeds of the Issue which shall be available to our Company. For further information about use of the Issue Proceeds, see “ <i>Objects of the Issue</i> ” on page 75
Materiality Policy	Policy for identification of group companies, material outstanding civil litigations proceedings of our Company, our Promoter, our Directors, our Group Companies and the material creditors of the Company, pursuant to the disclosure requirements under SEBI ICDR Regulations, as adopted by the Board through its resolutions dated December 8, 2021 and March 25, 2022
Monitoring Agency	[●]
Motilal Oswal	Motilal Oswal Investment Advisors Limited
Mutual Fund Portion	5% of the Net QIB Portion, or [●] Equity Shares which shall be available for allocation to Mutual Funds only, subject to valid Bids being received at or above the Issue Price
Net Proceeds	Proceeds of the Issue less the Issue expenses. For further details regarding the use of the Net Proceeds and the Issue expenses, see “ <i>Objects of the Issue – Net Proceeds</i> ” on page 75
Net QIB Portion	The QIB Portion less the number of Equity Shares allocated to the Anchor Investors
Non-Institutional Bidders	All Bidders that are not QIBs or RIBs 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 Issue being not less than 15% of the Issue comprising [●] Equity Shares which shall be available for allocation to Non-Institutional Bidders, subject to valid Bids being received at or above the Issue Price, in the following manner: (a) one third of the portion available to Non-Institutional Bidders shall be reserved for applicants with application size of more than ₹200,000 and up to ₹1,000,000;

* This allocation methodology is effective from April 1, 2022, if the Bid/Issue Opening Date is on or after April 1, 2022

Term	Description
	(b) 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 in clauses (a) or (b), may be allocated to applicants in the other sub-category of Non-Institutional Bidders
Non-Resident	Person resident outside India, as defined under FEMA
Price Band	Price band of a minimum price of ₹[●] per Equity Share (Floor Price) and the maximum price of ₹[●] per Equity Share (Cap Price) including any revisions thereof. The Price Band and the minimum Bid Lot size for the Issue will be decided by our Company in consultation with the BRLMs, and will be advertised, at least two Working Days prior to the Bid/ Issue Opening Date, in [●] editions of [●], an English national daily newspaper, [●] editions of [●], a Hindi national daily newspaper and [●] editions of [●], a Malayalam daily newspaper (Malayalam being the regional language of Kerala, where our Registered and Corporate Office is located), each with wide circulation and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites
Pricing Date	Date on which our Company in consultation with the BRLMs will finalise the Issue Price
Prospectus	Prospectus to be filed with the RoC on or after the Pricing Date in accordance with Section 26 of the Companies Act, and the SEBI ICDR Regulations containing, <i>inter alia</i> , the Issue Price, the size of the Issue and certain other information, including any addenda or corrigenda thereto
Public Issue Account	The 'no-lien' and 'non-interest bearing' account to be opened with the Public Issue Account Bank, under Section 40(3) of the Companies Act to receive monies from the Escrow Account and ASBA Accounts on the Designated Date
Public Issue Account Bank(s)	A bank which is a clearing member and registered with SEBI as a banker to an issue and with which the Public Issue Account will be opened, in this case being [●]
QIB Portion	The portion of the Issue (including the Anchor Investor Portion) being not more than 50% of the Issue consisting of [●] Equity Shares which shall be available for allocation on a proportionate basis to QIBs (including Anchor Investors in which allocation 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 Issue Price or Anchor Investor Issue Price
"Qualified Institutional Buyers", "QIBs" or "QIB Bidders"	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
"Red Herring Prospectus" or "RHP"	Red herring prospectus to be issued by our Company in accordance with Section 32 of the Companies Act and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the Issue Price and the size of the Issue, including any addenda or corrigenda thereto. The Red Herring Prospectus will be filed with the RoC at least three Working Days before the Bid/ Issue Opening Date and will become the Prospectus upon filing with the RoC on or after the Pricing Date
Refund Account(s)	Account to be opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount to the Bidders shall be made
Refund Bank(s)	Banker(s) to the Issue and with whom the Refund Account will be opened, in this case being [●]
Registered Brokers	Stock brokers registered under the Securities and Exchange Board of India (Stock Brokers) Regulations, 1992, as amended with SEBI and the Stock Exchanges having nationwide terminals, other than the BRLMs and the Syndicate Members and eligible to procure Bids in terms of circular no. CIR/ CFD/ 14/ 2012 dated October 4, 2012 issued by SEBI
Registrar Agreement	Agreement dated March 23, 2022 entered into amongst our Company and the Registrar to the Issue
RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations as per the list available on the websites of BSE and NSE, and the UPI Circulars
"Registrar to the Issue" or "Registrar"	Link Intime India Private Limited
"Retail Individual Bidder(s)" or "RIB(s)"	Individual Bidders, who have Bid for the Equity Shares for an amount not more than ₹200,000 in any of the bidding options in the Issue (including HUFs applying through their Karta and Eligible NRIs)
Retail Portion	Portion of the Issue being not less than 35% of the Issue consisting of [●] Equity Shares which shall be available for allocation to RIBs (subject to valid Bids being received at or above the Issue 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. RIBs can revise their Bids during the Bid/ Issue Period and withdraw their Bids until Bid/ Issue Closing Date
SBICAP	SBI Capital Markets Limited

Term	Description
Self-Certified Syndicate Bank(s) or SCSB(s)	<p>The banks registered with SEBI, which offer the facility of ASBA services:</p> <p>(i) in relation to ASBA, where the Bid Amount will be blocked by authorising an SCSB, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, as applicable and updated from time to time and at such other websites as may be prescribed by SEBI from time to time;</p> <p>(ii) in relation to RIBs using the UPI Mechanism, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as may be prescribed by SEBI and updated from time to time.</p> <p>Applications through UPI in the Issue can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile application, which, are live for applying in public issues using UPI Mechanism is provided as Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019. The list is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time</p>
Specified Locations	Bidding Centres where the Syndicate shall accept ASBA Forms from Bidders
Sponsor Banks	[●], [●], [●] and [●] being Bankers to the Issue, appointed by our Company to act as conduits between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the RIBs using the UPI and carry out other responsibilities, in terms of the UPI Circulars
“Syndicate” or “Members of the Syndicate”	Together, the BRLMs and the Syndicate Members
Syndicate Agreement	Agreement to be entered into amongst our Company, the BRLMs and the Syndicate Members, in relation to collection of Bids by the Syndicate
Syndicate Members	Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, namely, [●]
Systemically Important NBFCs	Systemically important non-banking financial company registered with the RBI and as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
Technopak	Technopak Advisors Private Limited
Industry Report or Technopak Report	Industry report entitled “ <i>Industry Report on Jewellery Retail in India</i> ” dated March 21, 2022 which is exclusively prepared for the purpose of the Issue and issued by Technopak and is commissioned and paid for by our Company. Technopak was appointed on September 30, 2021. The Industry Report shall be available on the website of our Company at www.joyalukkas.in/[●] from the date of the Red Herring Prospectus until the Bid/Issue Closing date.
Underwriters	[●]
Underwriting Agreement	Agreement to be entered into amongst our Company, our Promoter and the Underwriters on or after the Pricing Date but prior to filing of the Prospectus with the RoC
UPI	Unified payments interface, which is an instant payment mechanism, developed by NPCI
UPI Circulars	SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and any subsequent circulars or notifications issued by SEBI in this regard
UPI ID	ID created on the 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 SCSBs on the website of SEBI and by way of an SMS on directing the RIB to such UPI linked mobile application) to the RIB initiated by the Sponsor Banks to authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment
UPI Mechanism	The bidding mechanism that may be used by an RIB in accordance with the UPI Circulars to make an ASBA Bid in the Issue
UPI PIN	Password to authenticate UPI transaction
Working Day	All days on which commercial banks in Mumbai are open for business. In respect of announcement of Price Band and Bid/ Issue Period, Working Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. In respect of the time

Term	Description
	period between the Bid/ Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, Working Day shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays in India, as per circulars issued by SEBI

Technical, Industry and Business-Related Terms or Abbreviations

Term	Description
BIS	Bureau of Indian Standards
CGST	Central Goods and Services Tax
GDP	Gross Domestic Product
GST	Goods and Services Tax
IGST	Inter-state Goods and Services Tax
PAN	Permanent Account Number
PFCE	Private Final Consumption Expenditure
PGI	Platinum Guild International
PPP	Purchasing Power Parity
SGST	State Goods and Services Tax

Conventional and General Terms or Abbreviations

Term	Description
“₹”, “Rs.” or “Rupees” “INR”	Indian Rupees
AIFs	Alternative Investment Funds, as defined in, and registered under the SEBI AIF Regulations
Air Act	Air (Prevention and Control of Pollution) Act, 1981
AGM	Annual general meeting
BSE	BSE Limited
Calendar Year	Unless stated otherwise, the period of 12 months ending December 31 of that particular year
Category I AIF	AIFs who are registered as “Category I 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 AIF	AIFs who are registered as “Category II Alternative Investment Funds” under the SEBI AIF 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
CBDT	Central Board of Direct Taxes
CDSL	Central Depository Services (India) Limited
CIN	Corporate identity number
“Companies Act” or “Companies Act, 2013”	Companies Act, 2013, along with the relevant rules, regulations, clarifications and modifications made thereunder
Companies Act, 1956	Companies Act, 1956, along with the relevant rules, regulations, clarifications and modifications made thereunder
CrPC	Code of Civil Procedure, 1973
Depositories	NSDL and CDSL
Depositories Act	Depositories Act, 1996
DIN	Director identification number
DoE	Directorate of Enforcement, Ministry of Finance, Government of India
“DP” or “Depository Participant”	A depository participant as defined under the Depositories Act
DP ID	Depository participant’s identification number
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion)
EGM	Extraordinary general meeting
EPS	Earnings per share
EP Act	Environment Protection Act, 1986, as amended
FDI	Foreign direct investment
FDI Policy	Consolidated Foreign Direct Investment Policy notified by the DPIIT by way of circular bearing number DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020 effective from October 15, 2020

Term	Description
FEMA	The Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA Non-debt Instruments Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
“Financial Year”, “Fiscal” or “Fiscal Year” or “FY”	Unless stated otherwise, the period of 12 months ending March 31 of that particular year
FIR	First information report
FPI(s)	Foreign portfolio investors as defined under the SEBI FPI Regulations
Fraudulent Borrower	Fraudulent borrower as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations
FVCI(s)	Foreign venture capital investors as defined and registered with SEBI under the SEBI FVCI Regulations
GDP	Gross domestic product
“GoI”, “Government” or “Central Government”	Government of India
GST	Goods and services tax
High Court	High Court of Kerala at Ernakulam
HUF	Hindu Undivided Family
IBC	The Insolvency and Bankruptcy Code, 2016
ICAI	The Institute of Chartered Accountants of India
ICSI	The Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
“Ind AS” or “Indian Accounting Standards”	Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015
Ind AS 101	Ind AS 101 – First time adoption of Indian Accounting Standards
India	Republic of India
“Indian GAAP” or “IGAAP”	Generally Accepted Accounting Principles in India notified under section 133 of the Companies Act and read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016
IPC	Indian Penal Code, 1860
IPO	Initial public offering
IRDAI	Insurance Regulatory and Development Authority of India
IST	Indian standard time
IT	Information technology
IT Act	The Income Tax Act, 1961
JFCM	Judicial First Class Magistrate
KYC	Know your customer
MCA	Ministry of Corporate Affairs
MSMEs	Micro, Small, and Medium Enterprises
Mutual Funds	Mutual funds registered under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
N/ A	Not applicable
NACH	National automated clearing house
NAV	Net asset value per Equity Share represents total equity attributable to the equity shareholders of our Company as at the end of the fiscal year/ period, as restated, divided by the number of Equity Shares outstanding at the end of the year/ period, after considering the impact of bonus issue effected during the half year ended September 30, 2021. For a brief explanation on the calculation of NAV, see “Other Financial Information” on page 243
NBFC	Non-Banking Financial Company
NEFT	National electronic funds transfer
Net Worth	Net Worth as defined under Regulation 2(1)(hh) of the SEBI ICDR Regulations, i.e., the aggregate value of the paid-up share capital and all reserves 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 as per the restated balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation
NPCI	National Payments Corporation of India

Term	Description
NRI	Person resident outside India, who is a citizen of India or a person of Indian origin, and shall have the meaning ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016 or an “Overseas Citizen of India” cardholder within the meaning of Section 7(A) of the Citizenship Act, 1955
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB	An entity de-recognized through Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. OCBs are not allowed to invest in the Issue
p.a.	Per annum
P/E Ratio	Price to earnings ratio
PAN	Permanent account number
RBI	The Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934
Regulation S	Regulation S under the U.S. Securities Act
“RoNW” or “Return on Net Worth”	Restated profit after tax attributable to equity shareholders of our Company divided by total equity attributable to the equity shareholders of our Company at period/year-end
RTGS	Real time gross settlement
Rule 144A	Rule 144A under the U.S. Securities Act
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SCORES	SEBI complaints redress system
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 Investors) Regulations, 2000
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 as repealed pursuant to the SEBI AIF Regulations
State Government	The government of a state in India
Stock Exchanges	BSE and NSE
Systemically Important NBFCs	Systemically important non-banking financial company registered with the RBI and as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
TAN	Tax deduction account number
U.S. GAAP	Generally Accepted Accounting Principles (as adopted by the U.S. Securities and Exchange Commission)
U.S. Securities Act	United States Securities Act of 1933
“U.S.,” “US” or “USA” or “United States”	United States of America
“USD,” or “US\$” or “U.S.\$” or “\$”	United States Dollars
VCFs	Venture capital funds as defined in and registered with SEBI under the SEBI VCF Regulations
Water Act	Water (Prevention and Control of Pollution) Act, 1974, as amended
Wilful Defaulter(s)	A person or an entity who or which is categorised as a wilful defaulter by any bank or financial institution (as defined under the Companies Act) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI

ISSUE DOCUMENT SUMMARY

The following is a general summary of certain disclosures included in this Draft Red Herring Prospectus and is neither exhaustive, nor purports to contain a summary of all the disclosures in this Draft Red Herring Prospectus or the Red Herring Prospectus or the Prospectus when filed, 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 “Risk Factors”, “The Issue”, “Capital Structure”, “Objects of the Issue”, “Industry Overview”, “Our Business”, “Financial Statements”, “Outstanding Litigation and Material Developments”, “Issue Procedure” and “Description of Equity Shares and Terms of Articles of Association” on pages 19, 55, 67, 75, 96, 129, 182, 284, 323 and 340, respectively.

Summary of the primary business of our Company	We are one of the leading jewellery companies in India in terms of revenue in Fiscal 2021 (<i>Source: Technopak Report</i>). Our jewellery business includes sale of jewellery made of gold, studded and other jewellery products that include diamond, platinum, silver and other precious stones. We operate 85 showrooms under the “Joyalukkas” brand across 68 cities in India with an area aggregating approximately 344,458 square feet, as of January 31, 2022. Our product profile includes traditional, contemporary and combination designs across jewellery lines, usages and price points. Our gold, diamond and other jewellery inventory in each showroom reflects regional customer preferences and designs.																											
Summary of the industry in which our Company operates	Global jewellery market estimated at \$ 320 billion is a significant industry in terms of contribution to the world economy. It is also for centuries is an expression of creativity, status, and exclusivity. Diamond and gold are two precious metals contributing more than 50% of the global jewellery market. The Indian jewellery retail sector’s size in Fiscal 2020 was close to US\$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 (<i>Source: Technopak Report</i>).																											
Name of Promoter	Alukkas Varghese Joy. For details, see “Our Promoter and Promoter Group – Our Promoter” on page 173.																											
Issue size	Issue 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 ₹23,000 million by our Company. The Issue shall constitute [●]% of the post- Issue paid-up Equity Share capital of our Company.																											
Objects of the Issue	<p>The objects for which the Net Proceeds from the Issue shall be utilized are as follows:</p> <p style="text-align: right;">(₹ in million)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Particulars</th> <th style="text-align: center;">Amount (₹ in million)</th> </tr> </thead> <tbody> <tr> <td>Repayment or pre-payment, in full or part, of certain borrowings availed by our Company</td> <td style="text-align: right;">14,000.00</td> </tr> <tr> <td>Financing the opening of eight new showrooms</td> <td style="text-align: right;">4,639.00</td> </tr> <tr> <td>General corporate purposes⁽¹⁾</td> <td style="text-align: right;">[●]</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">[●]</td> </tr> </tbody> </table> <p>⁽¹⁾To be finalised upon determination of the Issue 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 from the Issue.</p> <p>For details, see “Objects of the Issue” on page 75.</p>	Particulars	Amount (₹ in million)	Repayment or pre-payment, in full or part, of certain borrowings availed by our Company	14,000.00	Financing the opening of eight new showrooms	4,639.00	General corporate purposes ⁽¹⁾	[●]	Total	[●]																	
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Total	[●]																											
Aggregate pre-Issue shareholding of our Promoter and Promoter Group as a percentage of our paid-up Equity Share capital	<p>The aggregate pre-Issue shareholding of our Promoter and Promoter Group as a percentage of the pre-Issue paid-up Equity Share capital of our Company is set out below:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Name of Shareholder</th> <th style="text-align: center;">Number of Equity Shares held on a fully diluted basis</th> <th style="text-align: center;">Percentage of the pre-Issue Equity Share Capital on a fully diluted basis (%)</th> </tr> </thead> <tbody> <tr> <td colspan="3">Promoter</td> </tr> <tr> <td>Alukkas Varghese Joy</td> <td style="text-align: right;">770,256,300</td> <td style="text-align: right;">99.98</td> </tr> <tr> <td>Total (A)</td> <td style="text-align: right;">770,256,300</td> <td style="text-align: right;">99.98</td> </tr> <tr> <td colspan="3">Promoter Group</td> </tr> <tr> <td>John Paul Joy Alukkas</td> <td style="text-align: right;">110,000</td> <td style="text-align: right;">0.01</td> </tr> <tr> <td>Jolly Joy*</td> <td style="text-align: right;">5,500</td> <td style="text-align: right;">Negligible</td> </tr> <tr> <td>Total (B)</td> <td style="text-align: right;">1,15,500</td> <td style="text-align: right;">0.01</td> </tr> <tr> <td>Total (A+B)</td> <td style="text-align: right;">770,371,800</td> <td style="text-align: right;">99.99</td> </tr> </tbody> </table> <p>*Jointly held with Mary Jeny Joy, who is the second holder and individual forming part of the Promoter Group</p>	Name of Shareholder	Number of Equity Shares held on a fully diluted basis	Percentage of the pre-Issue Equity Share Capital on a fully diluted basis (%)	Promoter			Alukkas Varghese Joy	770,256,300	99.98	Total (A)	770,256,300	99.98	Promoter Group			John Paul Joy Alukkas	110,000	0.01	Jolly Joy*	5,500	Negligible	Total (B)	1,15,500	0.01	Total (A+B)	770,371,800	99.99
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Summary of Restated Financial Information	<p>The details of our share capital, net worth, revenue, PAT, earnings per share (Basic and diluted), net asset value per Equity Share, total borrowings as at and for the six months ended September 30, 2021 and September 30, 2020 and as at and for the financial years ended March 31, 2021, 2020 and 2019 derived from the Restated Financial Information are as follows:</p> <p style="text-align: right;">(₹ in million, except per share data)</p>																											

	Particulars	As at and for the six months ended September 30, 2021	As at and for the six months ended September 30, 2020	As at and for the financial years ended March 31,																																																																																															
				2021	2020	2019																																																																																													
	(A) Equity share capital	700.34	700.34	700.34	700.34	700.34																																																																																													
	(B) Net worth	19,167.01	14,269.03	16,507.16	11,778.18	11,175.39																																																																																													
	(C) Revenue	40,122.61	20,887.73	80,662.93	80,237.88	80,918.42																																																																																													
	(D) PAT	2,689.45	2,486.11	4,717.54	407.05	1,161.38																																																																																													
	(E) Earnings per Equity Share																																																																																																		
	-Basic	3.49	3.23	6.12	0.53	1.51																																																																																													
	-Diluted	3.49	3.23	6.12	0.53	1.51																																																																																													
	(F) Net asset value per Equity Share	283.68	213.74	245.70	178.18	169.57																																																																																													
	(G) Total borrowings	15,285.18	15,268.79	14,507.53	15,223.20	12,367.41																																																																																													
	For further details, see “Financial Statements” on page 182.																																																																																																		
Auditor’s qualifications which have not been given effect to in the Restated Financial Information	There are no qualifications by the Statutory Auditors which have not been given effect to in the Restated Financial Information. For Emphasis of Matter and qualifications/ comments included in the Companies (Auditor’s Report) Order, 2016 which do not require any corrective adjustments in the Restated Financial Information, see “Financial Statements” on page 182.																																																																																																		
Summary table of outstanding litigation	<p>A summary of outstanding litigation proceedings involving our Company, Promoter, Directors and Group Companies, in terms of the SEBI ICDR Regulations and the Materiality Policy approved by our Board pursuant to a resolution dated December 8, 2021 and March 25, 2022, as on the date of this Draft Red Herring Prospectus is provided below:</p> <p style="text-align: right;"><i>(in ₹ million, unless otherwise specified)</i></p> <table border="1"> <thead> <tr> <th>Nature of cases</th> <th>Number of cases</th> <th>Total amount involved[^]</th> </tr> </thead> <tbody> <tr> <td colspan="3">Litigation involving our Company</td> </tr> <tr> <td colspan="3"><i>Against our Company</i></td> </tr> <tr> <td>Material civil cases</td> <td>Nil</td> <td>Nil</td> </tr> <tr> <td>Criminal cases</td> <td>1</td> <td>Not quantifiable</td> </tr> <tr> <td>Action taken by statutory and regulatory authorities</td> <td>7</td> <td>94.00</td> </tr> <tr> <td>Taxation cases</td> <td>43</td> <td>1,612.96</td> </tr> <tr> <td colspan="3"><i>By our Company</i></td> </tr> <tr> <td>Material civil cases</td> <td>3</td> <td>109.11</td> </tr> <tr> <td>Criminal cases</td> <td>2</td> <td>36.56</td> </tr> <tr> <td colspan="3">Litigation involving our Directors</td> </tr> <tr> <td colspan="3"><i>Against our Directors</i></td> </tr> <tr> <td>Material civil cases</td> <td>2</td> <td>400.00</td> </tr> <tr> <td>Criminal cases</td> <td>1</td> <td>Not quantifiable</td> </tr> <tr> <td>Action taken by statutory and regulatory authorities</td> <td>4</td> <td>Not quantifiable</td> </tr> <tr> <td>Taxation cases</td> <td>2</td> <td>6.12</td> </tr> <tr> <td colspan="3"><i>By our Directors</i></td> </tr> <tr> <td>Material civil cases</td> <td>Nil</td> <td>Nil</td> </tr> <tr> <td>Criminal cases</td> <td>2</td> <td>18.89</td> </tr> <tr> <td colspan="3">Litigation involving our Promoter</td> </tr> <tr> <td colspan="3"><i>Against our Promoter</i></td> </tr> <tr> <td>Material civil cases</td> <td>2</td> <td>400.00</td> </tr> <tr> <td>Criminal cases</td> <td>1</td> <td>Not quantifiable</td> </tr> <tr> <td>Action taken by statutory and regulatory authorities</td> <td>4</td> <td>Not quantifiable</td> </tr> <tr> <td>Taxation cases</td> <td>2</td> <td>6.12</td> </tr> <tr> <td colspan="3"><i>By our Promoter</i></td> </tr> <tr> <td>Material civil cases</td> <td>Nil</td> <td>Nil</td> </tr> <tr> <td>Criminal cases</td> <td>2</td> <td>18.89</td> </tr> <tr> <td colspan="3">Material litigation involving our Group Companies</td> </tr> <tr> <td colspan="3"><i>Against our Group Companies</i></td> </tr> <tr> <td>Material civil cases</td> <td>1</td> <td>400.00</td> </tr> </tbody> </table> <p>[^]To the extent quantifiable.</p> <p>For further details, see “Outstanding Litigation and Material Developments” on page 284</p>						Nature of cases	Number of cases	Total amount involved [^]	Litigation involving our Company			<i>Against our Company</i>			Material civil cases	Nil	Nil	Criminal cases	1	Not quantifiable	Action taken by statutory and regulatory authorities	7	94.00	Taxation cases	43	1,612.96	<i>By our Company</i>			Material civil cases	3	109.11	Criminal cases	2	36.56	Litigation involving our Directors			<i>Against our Directors</i>			Material civil cases	2	400.00	Criminal cases	1	Not quantifiable	Action taken by statutory and regulatory authorities	4	Not quantifiable	Taxation cases	2	6.12	<i>By our Directors</i>			Material civil cases	Nil	Nil	Criminal cases	2	18.89	Litigation involving our Promoter			<i>Against our Promoter</i>			Material civil cases	2	400.00	Criminal cases	1	Not quantifiable	Action taken by statutory and regulatory authorities	4	Not quantifiable	Taxation cases	2	6.12	<i>By our Promoter</i>			Material civil cases	Nil	Nil	Criminal cases	2	18.89	Material litigation involving our Group Companies			<i>Against our Group Companies</i>			Material civil cases	1	400.00
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Risk factors	For details of the risks applicable to us, see “ <i>Risk Factors</i> ” on page 19.																																																															
Summary table of contingent liabilities	<p>The following is a summary table of our contingent liabilities as at September 30, 2021 and March 31, 2021, as per Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets:</p> <p style="text-align: right;">(₹ in million)</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>As at September 30, 2021</th> <th>As at March 31, 2021</th> </tr> </thead> <tbody> <tr> <td>On sales tax and entry tax related matters</td> <td>1,031.14</td> <td>998.01</td> </tr> <tr> <td>On service tax related matters</td> <td>1.94</td> <td>1.94</td> </tr> <tr> <td>On Customs duty related matters</td> <td>2.20</td> <td>2.20</td> </tr> <tr> <td>On income tax related matters</td> <td>104.30</td> <td>104.30</td> </tr> </tbody> </table> <p>For further details of our contingent liabilities, see “<i>Financial Statements – Note 30: Contingent liabilities and commitments</i>” on page 223.</p>					Particulars	As at September 30, 2021	As at March 31, 2021	On sales tax and entry tax related matters	1,031.14	998.01	On service tax related matters	1.94	1.94	On Customs duty related matters	2.20	2.20	On income tax related matters	104.30	104.30																																												
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Summary of related party transactions	<p>The details of related party transactions entered into by our Company for the six months ended September 30, 2021 and September 30, 2020 and for the financial years ended March 31, 2021, 2020 and 2019, as per Ind AS 24 – Related Party Disclosures are set forth in the table below:</p> <p style="text-align: right;">(₹ in million)</p> <table border="1"> <thead> <tr> <th rowspan="2">Particulars</th> <th colspan="2">For six months ended</th> <th colspan="3">For the financial years ended</th> </tr> <tr> <th>September 30, 2021</th> <th>September 30, 2020</th> <th>March 31, 2021</th> <th>March 31, 2020</th> <th>March 31, 2019</th> </tr> </thead> <tbody> <tr> <td>Sale of goods</td> <td>0.17</td> <td>0.06</td> <td>0.16</td> <td>2.39</td> <td>0.24</td> </tr> <tr> <td>Purchase of goods</td> <td>20.65</td> <td>23.51</td> <td>66.90</td> <td>125.23</td> <td>76.03</td> </tr> <tr> <td>Managerial remuneration:</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Commission</td> <td>-</td> <td>-</td> <td>-</td> <td>96.00</td> <td>75.64</td> </tr> <tr> <td>Rent expense</td> <td>5.46</td> <td>3.98</td> <td>9.87</td> <td>19.14</td> <td>20.00</td> </tr> <tr> <td>Making charges paid</td> <td>2.46</td> <td>1.86</td> <td>4.03</td> <td>7.32</td> <td>6.32</td> </tr> <tr> <td>CSR expenditure</td> <td>-</td> <td>-</td> <td>80.00</td> <td>66.00</td> <td>60.00</td> </tr> <tr> <td>Rent income</td> <td>9.74</td> <td>7.63</td> <td>20.35</td> <td>20.11</td> <td>20.52</td> </tr> </tbody> </table> <p>For details of the related party transactions, see “<i>Other Financial Information – Related Party Transactions</i>” on page 245.</p>					Particulars	For six months ended		For the financial years ended			September 30, 2021	September 30, 2020	March 31, 2021	March 31, 2020	March 31, 2019	Sale of goods	0.17	0.06	0.16	2.39	0.24	Purchase of goods	20.65	23.51	66.90	125.23	76.03	Managerial remuneration:						Commission	-	-	-	96.00	75.64	Rent expense	5.46	3.98	9.87	19.14	20.00	Making charges paid	2.46	1.86	4.03	7.32	6.32	CSR expenditure	-	-	80.00	66.00	60.00	Rent income	9.74	7.63	20.35	20.11	20.52
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Details of all financing arrangements whereby our Promoter, members of our Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of the Company other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of this Draft Red Herring Prospectus	Our Promoter, members of our Promoter Group, our Directors and their relatives have not financed the purchase by any person of securities of our Company other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of this Draft Red Herring Prospectus.																																																															
Weighted average price at which the specified securities were acquired by our Promoter in the last one year	<p>The weighted average price at which Equity Shares were acquired by our Promoter in the last one year preceding the date of this Draft Red Herring Prospectus is as follows:</p> <table border="1"> <thead> <tr> <th>Name of the Promoter</th> <th>Number of Equity Shares acquired</th> <th>Weighted average price of acquisition per Equity Share (in ₹)*</th> </tr> </thead> <tbody> <tr> <td>Alukkas Varghese Joy</td> <td>700,233,000[^]</td> <td>Nil</td> </tr> </tbody> </table> <p>*As certified by Independent Chartered Accountant pursuant to the certificate dated March 25, 2022 [^]Pursuant to a bonus issuance on October 18, 2021</p>					Name of the Promoter	Number of Equity Shares acquired	Weighted average price of acquisition per Equity Share (in ₹)*	Alukkas Varghese Joy	700,233,000 [^]	Nil																																																					
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<p>Details of price at which specified securities were acquired by the Promoter, Promoter Group, shareholders entitled with right to nominate directors or any other rights in the last three years preceding the date of this Draft Red Herring Prospectus</p>	<p>Our Company allotted 700,342,000 Equity Shares to the Shareholders of our Company pursuant to a bonus issue on October 18, 2021. For further details, see “<i>Capital Structure – Notes to Capital Structure – Share Capital History of our Company - Equity Share capital</i>” on page 67.</p> <p>Except as stated below, our Promoter, the members of the Promoter Group and our other Shareholders have not acquired any Equity Shares in the last three years preceding the date of this Draft Red Herring Prospectus.</p> <p>The price at which specified security was acquired in the last three years by our Promoter, the members of the Promoter Group and other Shareholders of our Company, is as below:</p> <table border="1" data-bbox="491 461 1495 969"> <thead> <tr> <th>Name</th> <th>Category</th> <th>Date of acquisition</th> <th>Number of Equity Shares acquired</th> <th>Acquisition price per Equity Share (₹)*</th> </tr> </thead> <tbody> <tr> <td>Alukkas Varghese Joy</td> <td>Promoter</td> <td>October 18, 2021</td> <td>700,233,000</td> <td>Nil</td> </tr> <tr> <td>John Paul Joy Alukkas</td> <td>Promoter Group</td> <td>October 18, 2021</td> <td>100,000</td> <td>Nil</td> </tr> <tr> <td>Jolly Joy (jointly held with Mary Jeny Joy)</td> <td>Promoter Group</td> <td>October 18, 2021</td> <td>5,000</td> <td>Nil</td> </tr> <tr> <td>Antony Chirakekkaran Jos</td> <td>Other Shareholder</td> <td>October 18, 2021</td> <td>1,000</td> <td>Nil</td> </tr> <tr> <td>P.D. Francis</td> <td>Other Shareholder</td> <td>October 18, 2021</td> <td>1,000</td> <td>Nil</td> </tr> <tr> <td>Pallikkunna n D. Jose</td> <td>Other Shareholder</td> <td>October 18, 2021</td> <td>1,000</td> <td>Nil</td> </tr> <tr> <td>P.P. Jose</td> <td>Other Shareholder</td> <td>October 18, 2021</td> <td>1,000</td> <td>Nil</td> </tr> </tbody> </table> <p><i>*As certified by the Independent Chartered Accountant, pursuant to the certificate dated March 25, 2022</i></p> <p>Our Shareholders do not have special rights such as right to nominate directors on the Board of our Company or any other rights.</p>	Name	Category	Date of acquisition	Number of Equity Shares acquired	Acquisition price per Equity Share (₹)*	Alukkas Varghese Joy	Promoter	October 18, 2021	700,233,000	Nil	John Paul Joy Alukkas	Promoter Group	October 18, 2021	100,000	Nil	Jolly Joy (jointly held with Mary Jeny Joy)	Promoter Group	October 18, 2021	5,000	Nil	Antony Chirakekkaran Jos	Other Shareholder	October 18, 2021	1,000	Nil	P.D. Francis	Other Shareholder	October 18, 2021	1,000	Nil	Pallikkunna n D. Jose	Other Shareholder	October 18, 2021	1,000	Nil	P.P. Jose	Other Shareholder	October 18, 2021	1,000	Nil
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<p>Average cost of acquisition of Equity Shares of our Promoter</p>	<p>The average cost of acquisition of Equity Shares held by our Promoter as on the date of this Draft Red Herring Prospectus is as follows:</p> <table border="1" data-bbox="491 1155 1495 1245"> <thead> <tr> <th>Name of the Promoter</th> <th>Number of Equity Shares</th> <th>Average cost of acquisition per Equity Share (in ₹)</th> </tr> </thead> <tbody> <tr> <td>Alukkas Varghese Joy</td> <td>770,256,300</td> <td>0.91</td> </tr> </tbody> </table> <p><i>*As certified by Independent Chartered Accountant pursuant to the certificate dated March 25, 2022</i></p>	Name of the Promoter	Number of Equity Shares	Average cost of acquisition per Equity Share (in ₹)	Alukkas Varghese Joy	770,256,300	0.91																																		
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<p>Details of the pre-IPO placement</p>	<p>Our Company is not contemplating a pre-IPO placement.</p>																																								
<p>Issuance of Equity Shares in the last one year for consideration other than cash</p>	<p>Our Company has not issued any Equity Shares in the last one year from the date of this Draft Red Herring Prospectus, for consideration other than cash.</p> <p>For further details, see “<i>Capital Structure</i>” on page 67.</p>																																								
<p>Any split/consolidation of Equity Shares in the last one year</p>	<p>Our Company has not undertaken any split/consolidation of its Equity Shares in the last one year from the date of this Draft Red Herring Prospectus.</p>																																								
<p>Exemption from complying with any provisions of securities laws, if any, granted by SEBI</p>	<p>An exemption application dated March 26, 2022 under Regulation 300(1)(c) of the SEBI ICDR Regulations has been submitted to SEBI seeking an exemption from identifying, (i) certain immediate relatives of our Promoter, Alukkas Varghese Joy; (ii) body corporates in which 20% or more of the equity share capital is held by such immediate relatives or any Hindu undivided families or firms of which such immediate relatives are members; (iii) body corporates in which the body corporates referred to in (ii) hold 20% or more of the equity share capital; and (iv) Hindu undivided families or firms in which the aggregate shareholding of such persons is equal to 20% or more of the total capital (collectively, “Disassociated Group”), as members of the promoter group in terms of Regulation 2(1)(pp)(ii) and (iv) of the SEBI ICDR Regulations in the Issue documents, and from including any confirmations or disclosures required from a member of the promoter group under the SEBI ICDR Regulations, in respect of the Disassociated Group in the Issue documents and in connection with the Issue.</p> <p>For further details, see “<i>Our Promoter and Promoter Group – Our Promoter Group</i>” on page 176.</p>																																								

CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

All references in this Draft Red Herring Prospectus to “India” are to the Republic of India and all references to the “US”, “U.S.” “USA” or “United States” are to the United States of America and its territories and possessions.

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. Unless otherwise specified, any time mentioned in this Draft Red Herring Prospectus is in Indian Standard Time (“IST”).

Financial Data

Our Company’s financial year commences on April 1 and ends on March 31 of the next year. Unless stated otherwise, all references in this Draft Red Herring Prospectus to the terms Fiscal or Fiscal Year or Financial Year are to the 12 months ended March 31 of such year. Unless stated otherwise, or the context requires otherwise, all references to a “year” in this Draft Red Herring Prospectus are to a Calendar Year.

Unless the context requires otherwise, the financial information in this Draft Red Herring Prospectus is derived from our restated statement of assets and liabilities as at September 30, 2021, September 30, 2020, March 31, 2021, March 31, 2020 and March 31, 2019 and the restated statement of profit and loss (including other comprehensive income), restated statement of cash flows and restated statement of changes in equity for the six months ended September 30, 2021 and September 30, 2020 and for the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019 of the Company together with the statement of significant accounting policies, and other explanatory information thereon, derived from the audited special purpose financial statements of our Company as at and for the six months ended September 30, 2021 and September 30, 2020 and the audited financial statements of our Company as at and for the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019, prepared in accordance with Ind AS specified under Section 133 of the Companies Act 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and restated in accordance with the requirements of Section 26 of Part 1 of Chapter III of the Companies Act, the SEBI ICDR Regulations and the Guidance Note on “Reports in Company Prospectuses (Revised 2019)” issued by the ICAI.

For further information, see “*Financial Statements*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Presentation of Financial Information*” on pages 182 and 248, respectively.

There are significant differences between Ind AS, Indian GAAP, U.S. GAAP and IFRS. Our Company does not provide a reconciliation of its financial statements with Indian GAAP, IFRS or U.S. GAAP 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 53. We urge you to consult your own advisors regarding such differences and their impact on our financial data included in this Draft Red Herring Prospectus.

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. All figures in decimals have been rounded off to the second decimal place and all percentage figures have been rounded off to two decimal places.

Unless the context otherwise indicates, any percentage amounts, or ratios as set forth in “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 19, 129 and 246, respectively, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of amounts derived from our Restated Financial Information.

Non-GAAP Financial Measures

Certain non-GAAP financial measures relating to our financial performance such as, EBITDA, EBITDA Margin, EBIT margin, total debt to equity ratio, material margin, gross fixed assets turnover ratio, return on net worth, long term debt to equity ratio, average net worth, PAT margin, return on capital employed, net worth and net asset value per share and debt equity ratio have been included in this Draft Red Herring Prospectus. We compute and disclose such non-GAAP financial measures relating to our financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance, many of which provide such non-GAAP financial measures and other statistical and operational information when reporting their financial results. Such non-GAAP measures are not measures of operating performance or liquidity defined by

generally accepted accounting principles. These non-GAAP financial measures and other information relating to financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies. For further details see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on page 246.

Currency and Units of Presentation

All references to:

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

Our Company has presented certain numerical information in this Draft Red Herring Prospectus in “lakh”, “million” and “crores” units or in whole numbers where the numbers have been too small to represent in such units. One million represents 1,000,000, one billion represents 1,000,000,000 and one trillion represents 1,000,000,000,000. One lakh represents 100,000 and one crore represents 10,000,000.

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.

Exchange Rates

This Draft Red Herring Prospectus contains conversion 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 Rupee and other foreign currencies:

Currency	Exchange rate as at				
	September 30, 2021	March 31, 2021	September 30, 2020	March 31, 2020	March 31, 2019
1 USD	74.25	73.50	73.80	75.39	69.17

Source: www.rbi.org.in and www.fbil.org.in

If the RBI reference rate is not available on a particular date due to a public holiday, exchange rates of the previous working day have been disclosed

Industry and Market Data

The industry and market data set forth in this Draft Red Herring Prospectus including the information in “*Industry Overview*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 96, 129 and 246, respectively, have been obtained or derived from publicly available information as well as industry publications and sources. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. The data used in these sources may have been re-classified by us for the purposes of presentation. Data from these sources may also not be comparable. Industry sources and publications are also prepared based on information as at specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base this information on estimates and assumptions that may prove to be incorrect. Accordingly, no investment decision should be made solely on the basis of such information.

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. For details in relation to the risks involving the Industry Report, see “*Risk Factors – Industry information included in this Draft Red Herring Prospectus has been derived from a third party industry report, exclusively commissioned and paid for by us*” on page 46.

This Draft Red Herring Prospectus contains certain industry and market data and statements concerning our industry obtained from the report titled “*Industry Report on Jewellery Retail in India*” dated March 21, 2022, which has been prepared by Technopak exclusively for the purpose of the Issue and has been commissioned and paid for by our Company for the purposes of confirming our understanding of the industry in connection with the Issue, and is subject to the disclaimer mentioned below. Technopak was appointed by our Company pursuant to the engagement letter dated September 30, 2021. Further Technopak,

pursuant to their letter March 21, 2022 (“**Letter**”) has accorded their no objection and consent to use the Industry Report. Technopak, pursuant to their Letter has also confirmed that they are not related to our Company, our Directors, our Promoter, or our Key Managerial Personnel.

Disclaimer:

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- *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.

In accordance with the SEBI ICDR Regulations, the section “*Basis for Issue Price*” on page 88 includes information relating to our peer group companies. Such information has been derived from publicly available sources. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in “*Risk Factors*” on page 19.

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain forward-looking statements. All statements contained in this Draft Red Herring Prospectus that are not statements of historical fact constitute “forward-looking statements”. All statements regarding our expected financial condition and results of operations, business, plans and prospects are forward-looking statements. These forward-looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “likely to”, “seek to”, “shall”, “objective”, “plan”, “project”, “will”, “will continue”, “will pursue” or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements whether made by us or any third parties in this Draft Red Herring Prospectus are based on our current plans, estimates, presumptions and expectations and are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement, including but not limited to, regulatory changes pertaining to the industry in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India 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 domestic laws, regulations and taxes and changes in competition in our industry. Important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- Current and continuing impact of the COVID-19 pandemic on our business
- Inability to maintain and enhance awareness of the “Joyalukkas” brand
- Inability to identify customer demand accurately and maintain an optimal level of inventory in our showrooms
- Regulatory actions and penalties/compounding fees for certain deficiencies in compliances with FEMA regulations in relation to certain unsecured loans received by our Company from our Promoter
- Adverse adjudications orders against our Company and our Promoter by the Directorate of Enforcement
- Adverse statutory and regulatory actions from Income Tax Department or any other statutory or regulatory authority
- Any adverse developments affecting south India, where our showrooms are located mostly
- Disruptions at third-party production or manufacturing facilities or failure of third parties to adhere to the relevant quality standards
- Inability to effectively manage or expand our retail network or operations or pursue our growth strategy
- Conflict of interest between our business and activities undertaken by entities in which certain of our Directors and our Promoter have interest

For further discussion of factors that could cause the actual results to differ from the expectations, see “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 19, 129 and 246, 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 future gains or losses could materially differ from those that have been estimated and are not a guarantee of future performance.

Forward-looking statements reflect current views of our Company as on the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. There can be no assurance to 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 to be a guarantee of our future performance.

These statements are based on our management’s belief and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based on are reasonable, any of these assumptions could prove to be inaccurate and the forward-looking statements based on these assumptions could be incorrect. 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 Promoter, our Directors, our KMPs, the Syndicate nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the requirements of the SEBI ICDR Regulations, our Company shall ensure that investors are informed of material developments from the date of the Red Herring Prospectus until the date of grant of listing and trading permission by the Stock Exchanges for the Issue.

SECTION II: RISK FACTORS

An investment in equity shares involves a high degree of risk. Investors should carefully consider all the information in the Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. The risks described below are not the only ones relevant to us or our Equity Shares, the industry in which we operate or to India and other jurisdictions we operate in. Additional risks and uncertainties, not currently known to us or that we currently do not deem material may also adversely affect our business, results of operations, cash flows and financial condition. If any of the following risks, or other risks that are not currently known or are not currently deemed material, actually occur, our business, results of operations, cash flows and financial condition could be adversely affected, the price of our Equity Shares could decline, and investors may lose all or part of their investment. To the extent the COVID-19 pandemic adversely affects our business and financial results, it may also have the effect of heightening many of the other risks described in this section. In order to obtain a complete understanding of our Company and our business, prospective investors should read this section in conjunction with “Industry Overview”, “Our Business”, “Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 96, 129, 182 and 246, respectively, as well as the other financial and statistical information contained in this Draft Red Herring Prospectus. In making an investment decision, prospective investors must rely on their own examination of us and our business and the terms of the Issue including the merits and risks involved.

Prospective investors should consult their tax, financial and legal advisors about the particular consequences of investing in the Issue. Unless specified or quantified in the relevant risk factors below, we are unable to quantify the financial or other impact of any of the risks described in this section. Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment, which may differ in certain respects from that of other countries.

This Draft Red Herring Prospectus also contains certain forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ from those anticipated in these forward looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. For further information, see “Forward-Looking Statements” on page 18. Unless otherwise indicated, the financial information included herein is based on our Restated Financial Information included in this Draft Red Herring Prospectus. For further information, see “Financial Statements” on page 182. Unless the context otherwise requires, in this section, references to “we”, “us”, “our”, the Company” or “our Company” refers to Joyalukkas India Limited.

*Unless otherwise indicated, industry and market data used in this section has been derived from the report titled “Industry Report on Jewellery Retail in India” dated March 21, 2022 (the “**Technopak Report**”), prepared and issued by Technopak Advisors Private Limited, which has been appointed on September 30, 2021, pursuant to an engagement letter dated September 30, 2021 and exclusively commissioned by and paid for by us in connection with the Issue. A copy of the Technopak Report will be available on website of our Company at www.joyalukkas.in from the date of the Red Herring Prospectus until the Bid/Issue Closing date. The data included herein includes excerpts from the Technopak Report and may have been re-ordered by us for the purposes of presentation. 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. Also see, “Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation – Industry and Market Data” on page 16.*

Internal Risk Factors

- 1. The current and continuing impact of the ongoing novel coronavirus (“COVID-19”) pandemic on our business and operations has been significant. The impact of the pandemic on our operations in the future, including its effect on the ability or desire of customers to visit our showrooms, is uncertain and may be significant and continue to have an adverse effect on our business prospects, strategies, business, operations, our future financial performance and the price of our Equity Shares.***

The outbreak of the COVID-19 pandemic and its continuing impact, as well as government measures to reduce the spread of COVID-19, have had a substantial impact on our operations since last week of March 2020. The impact of the pandemic on our business, operations and financial performance have included and may continue to include the following:

- Temporary showroom closures, including due to decline in customer footfall and sales, closure of malls where our showrooms are located, and reduced operating hours as mandated by regional regulatory bodies. A continued decline or fluctuation in customer footfall, particularly as a result of any subsequent waves of the COVID-19 pandemic in India, may also affect our ability to effectively manage our inventory of products. Further, showrooms located in containment zones, as demarcated by the GoI from time to time, may have further restrictions imposed on their operations.

- Temporary closure of our offices and decline in availability of workforce due to employees contracting the virus, rationalization of workforce, and restrictions on travel and movement due to lockdowns imposed by various state governments, affecting commute of employees to their places of work.
- Adverse impacts to our sales, profitability and growth rates – particularly as operating expenses do not decrease at the same pace as revenue declines. Some of our expenses like finance cost and depreciation are fixed in nature, whereas others like lease expenses, employee benefit expenses and other costs associated with operating and maintaining our showrooms are more variable in nature. For instance, during the government mandated lockdown and showroom closure period, we paid minimum salary to our employees, and our employees did not receive incentive benefits. We also reduced advertisement expenses and travel expenses. Our operating expenses for the Fiscal 2020 and 2021 and in the six months ended September 30, 2020 and September 30, 2021 was ₹5,400.85 million, ₹4,486.13 million, ₹1,803.48 million and ₹2,245.78 million, and was 61.37%, 70.26%, 65.03% and 72.61% of our total expenses and 6.73%, 5.56%, 8.63% and 5.60% of our revenue from operations in the same period, respectively. Rental expenses and leave and license fees account for a significant portion of our cash outflows, as a result, we entered into renegotiations under various rental arrangements with mall developers, landlords and lessors since the onset of the COVID-19 pandemic in India. While we have renegotiated certain of our rental arrangements including by receiving certain waivers for limited periods of time, there can be no assurance that the lessors / licensors of the properties being used by our Company would agree to any complete or partial waiver or reduction of rent expenses for the remaining term of the relevant leases / leave and license arrangements. There can also be no assurance that we will be able to obtain such waivers or successfully further renegotiate these arrangements in the future. Also see “ – A majority of our showrooms and our Registered and Corporate Office are located on leased premises. If we fail to renew these leases on competitive terms or if we are unable to manage our lease rental costs, our results of operations would be materially and adversely affected.” on page 31.
- Disruptions of the services we receive from third-parties including our job-workers, due to limited and sporadic availability of raw materials, fluctuating and unpredictable demands, and disruptions in supply chain. These supply chain effects may negatively affect our ability to meet consumer demand and increase our costs of manufacture and sales, and increase the price of raw materials or components, such as, gold, and impact their availability in a timely manner.
- We had experienced delays in collection under our gold schemes due to closure of our showrooms. In the event there is any subsequent wave of the COVID-19 pandemic in India which may result into our showrooms to be closed, our collections under the gold schemes will be further impacted.
- Compliance with evolving government regulations, including with respect to social distancing measures and sanitization practices. Although we are currently in compliance with such guidelines, any failure in the future to fully comply with or adhere to the measures and guidelines or any other similar regulations could lead to the imposition of penalties, fines or other sanctions, which could have an adverse impact on our business.

In addition, one of our key strategies is the expansion of our showroom network, which has become increasingly challenging as we have had to delay such expansion plans due to the impact of COVID-19 pandemic. For further information on our showroom expansion plans, see “*Our Business – Strategies*” and “*Objects of the Issue*” on pages 136 and 75, respectively. While we have been able to defer these plans, there can be no assurance that we will be able to successfully achieve this strategy in the event of subsequent waves of the COVID-19 pandemic in India that lead to additional restrictive measures or hamper overall economic recovery. For instance, the second wave of the COVID-19 pandemic in India in April and May 2021 led to the imposition of additional restrictive measures such as lockdowns and curfews in certain parts of India, restricting operations at our showrooms, and exposing our showroom operators to the increased risk of contagion. Further, while vaccination drives are underway, the likelihood of subsequent waves of the COVID-19 pandemic in India remains high especially for any new variants of COVID-19, for example, B.1.1.529 (Omicron) variant and we may be subject to further lockdowns or other restrictions in the rest of Fiscal 2022 and beyond. In the event subsequent waves worsen or are not controlled in a timely manner, we may not be able to successfully implement our growth strategy, or operate our showrooms profitably, or at all. At this time, we cannot estimate the duration or future impact of the COVID-19 pandemic or any of its variants on our business or on the Indian or global economy, and we expect the effects to continue in future.

Further, Statutory Auditors have included certain emphasis of matters in their examination report for Fiscal 2020 and Fiscal 2021 which states that basis their assessment of the impact of COVID-19 on our financial performance and position for these periods, there was no impact which was required to be recognized in the Restated Financial Information for such periods. For further information, see “ - *Our Statutory Auditors have included certain emphasis of matters in our Restated Financial*

Information.” on page 41. There can be no assurance that going forward the impact of COVID-19 will not have an adverse impact on our financial performance and position.

Notwithstanding the measures we have adopted to increase safety and hygiene levels in our showrooms, and increased focus on online retailing, there can be no assurance that customer footfall in our showrooms, sales, and demand for our products will fully recover from the impact of the COVID-19 crisis, and if they do not recover as a result of the COVID-19 crisis continuing or worsening, or otherwise, our business and results of operations would be significantly and adversely impacted. In addition, if our Directors, Key Managerial Personnel or a significant percentage of our workforce is unable to work due to COVID-19 illness, quarantine, limitations on travel or other government restrictions in connection with the COVID-19 pandemic, our operations may be negatively impacted. An outbreak or perceived outbreak of the COVID-19 pandemic connected to one or more of our showrooms could also cause negative publicity and cause customers to avoid our showrooms, which could have a material adverse effect on our business, results of operations, financial condition, cash flows, reputation and prospects. Also see “*Financial Statements*” on page 182.

2. We may not be successful in maintaining and enhancing awareness of the “Joyalukkas” brand. Any deterioration in public perception of our brand could adversely impact our business, financial condition, cash flows and results of operations.

We sell products under the brand “Joyalukkas”, as well as our various sub-brands, Pride, Eleganza, Apurva, Ratna, amongst others. We consider our brand as essential to our business and believe that the “Joyalukkas” brand is well-recognized, having developed to serve the needs of our customers across India. Our success therefore depends on our ability to maintain the recall value of our brand and effectively leverage our brand image to generate interest in new products and brand extensions. Our ability to attract and retain customers is dependent upon public perception and recognition of the quality associated with our brand and sub-brands. Public communication activities such as advertising, public relations and marketing as well as the general perception of our business also impact our brand. The strength of our brand and sub-brands depends on factors such as our growth, our product designs, the materials used to make our products, the quality of our products, the distinct character and presentation of our products as well as the presentation and layout of our showrooms.

Negative reviews from customers regarding the quality of our products, inability to deliver quality products at competitive prices and accidents, injuries or crimes at our showrooms could adversely affect public perception. Further, allegations of product defects or misbranding, even when false or unfounded, could tarnish our image and may cause customers to choose other products. From time-to-time, we receive customer complaints through our customer care phone number and our customer care e-mail address, which we endeavour to address as soon as possible. Failure to manage any of the above factors or failure of our promotion and other activities to differentiate and further strengthen our brand could adversely affect the value and perception of our brand 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.

Due to the competitive nature of the market in which we operate, maintaining and enhancing our brand may require us to make substantial investments in areas such as showroom operations, employee training, marketing and advertising, and these investments may not be successful. We plan to continue to enhance the brand recall of our products through the use of targeted marketing and public relations initiatives, particularly to promote and position our brand and sub-brands effectively and consistently with respect to new products or any new product categories such that we do not face brand dilution. In Fiscal 2019, 2020 and 2021 and in the six months ended September 30, 2020 and September 30, 2021, our advertisement and sales promotion expenses including celebrity endorsements, magazine and television advertising, sponsorships, public relations events, outdoor marketing and producing brochures were ₹ 1,374.10 million, ₹ 1,089.26 million, ₹ 511.67 million, ₹ 70.91 million and ₹ 170.02 million, or 1.70%, 1.36%, 0.63%, 0.32% and 0.42%, of our revenue from operations, respectively. If our marketing and advertising campaigns are poorly executed, or we are required to incur additional expenditures than budgeted, our business and results of operations may be adversely affected. If we fail to maintain our reputation, enhance our brand recognition or increase positive awareness of our products, or the quality of our products declines, our business and prospects may be adversely affected.

Our brand promotion strategy is also highly dependent on the quality of our products and the customer shopping experience particularly in our showrooms. Our ability to provide a high-quality experience for our customers depends on various factors, such as the reliability and performance of the job-workers who produce our jewellery and our employees at our showrooms. We rely heavily on our staff at our showrooms to promote and sell our products in an environment that is consistent with the perception and reputation of our brand. Any failure to maintain our uniform company standards and brand positioning could damage the market perception of our brand and sub-brands could have a negative impact on the experience of our customers, adversely impacting our reputation, results of operations and business operations.

As our business expands into new cities and as our markets become increasingly competitive, maintaining and enhancing our brand may become increasingly difficult and expensive. Since we have various sub-brands which span different price points,

we may not be able to focus or have the resources to market all our sub-brands. If we are unable to enhance the visibility of our brand or sub-brands, it would have an adverse effect on our business, reputation and our financial condition.

3. *Our inability to identify customer demand accurately and maintain an optimal level of inventory in our showrooms may impact our operations adversely.*

The success of our business depends upon our ability to anticipate and forecast customer demand and trends. Any error in our forecast could result in either surplus stock, which we may not be able to sell in a timely manner, or at all, or under stocking, which could affect our ability to meet customer demand. Maintaining an optimal level of relevant inventory is important to our business as it allows us to respond to customer demand effectively and to maintain a full range of products at our showrooms.

We estimate our monthly sales for every Fiscal prior to the commencement of the Fiscal considering the estimated growth rate of every showroom, festive periods and other factors. Monthly inventory is monitored based on actual sales and other relevant factors. Since we need to maintain stock inventory for all our brands and sub-brands, designs and styles, we keep a few months' inventory in our showrooms. Further, we keep back up inventory for a few days in our showrooms providing us flexibility in transporting merchandise of particular design or style to a showroom where it is selling quickly while avoiding piling of non-moving inventory. If a particular design or style is not selling well in certain showrooms, we may undertake cross shipment of such designs or styles to showrooms where sales are better. The slow moving designs or styles are monitored, and additional incentives may be offered to minimise inventory build-up for discounted sales periods.

Although we monitor our daily sales to avoid under-stocking and over-stocking, our estimates and forecasts may not always be accurate. If we over-stock inventory, our capital requirements will increase, and we will incur additional financing costs. If we under-stock inventory, our ability to meet customer demand and our operating results may be adversely affected. Any material mismatch between our forecast and actual sales could lead to potential excess inventory or out-of-stock situations, either of which could have an adverse effect on our business, financial condition and results of operation. Stock of inventory may also be impacted by disruptions faced in the transportation of our products or other adverse developments in the process.

4. *There have been certain deficiencies in compliances with the FEMA regulations in relation to certain unsecured loans received by our Company from our Promoter. We have filed a compounding application with the RBI in respect of such contraventions, which is currently pending. Consequently, we may be subject to regulatory actions and penalties/compounding fees for such non-compliance which may adversely impact our business, financial condition and reputation.*

Our Company had taken unsecured loans from our Promoter in several tranches during the period from Fiscal 2003 to Fiscal 2011. As per Regulation 5 of the Foreign Exchange Management (Borrowing and Lending in Rupees) Regulations, 2000, a company incorporated in India may borrow rupee denominated funds from non-resident Indians through investments in non-convertible debentures (the "NCDs") by way of a public offer, subject to the fulfilment of certain conditions. Accordingly, in respect of the unsecured loans availed by our Company from our Promoter, who was a non-resident Indian at the relevant period, our Company was required to issue NCDs by way of a public offer. Our Company had inadvertently failed to issue the NCDs by way of a public offer, in contravention of Regulation 5 of Foreign Exchange Management (Borrowing and Lending in Rupees) Regulations, 2000. Accordingly, our Company filed an application before the RBI for condonation of the aforementioned contravention vide our letter dated November 19, 2018. In our application for condonation to the RBI, we had stated that (i) the funds transferred by our Promoter were either from his non-resident external / non-resident ordinary rupee account held in India or from his income earned locally in India, (ii) the entire investment by our Promoter into our Company was on non-repatriation basis, (iii) of the total amount of ₹1,025.85 million transferred by our Promoter to our Company, our Company had capitalized a portion of the aforementioned unsecured loan, aggregating to ₹499.90 million and, between 2002 and 2009, issued equity shares to our Promoter and Jolly Joy, wife of our Promoter (both NRIs at the relevant time) and an amount of ₹525.96 million was adjusted/repaid to our Promoter by our Company, and (iv) the amount repaid to our Promoter was not repatriated out of India and no interest was paid on such amount by our Company. Subsequently, the RBI pursuant to a letter dated December 24, 2018 rejected our Company's condonation application and stated that the condonation of such non-compliance was not permitted under the FEMA. The RBI also observed that transactions of receipt of funds of ₹525.96 million from the non-resident director during the period 2002-03 to 2010-11, without issuance of NCDs through public offer had resulted in contravention of Regulation 5(1)(i) and 5(1)(v)(B) of the Foreign Exchange Management (Borrowing and Lending in Rupees) Regulations, 2000. Our Company has filed a compounding application dated December 4, 2021 before the RBI for contravention of Regulations 5(1)(i) and 5(1)(v)(B) of the Foreign Exchange Management (Borrowing and Lending in Rupees) Regulations, 2000 in relation to the aforementioned failure to issue NCDs by way of public offer at the time of receipt of unsecured loan from our Promoter and any procedural lapse under the FEMA pursuant to the conversion of a portion of the unsecured loans aggregating to ₹499.90 million to equity. The compounding application is currently pending before the RBI. Our Company, pursuant to its letter dated December 30, 2021, responded to the email dated December 13, 2021 from the Foreign Exchange Department, Central Office, RBI (the "Foreign Exchange Department") and submitted, *inter alia*, the undertakings in relation to the investigations by the Directorate of Enforcement ("DoE"), the Central Bureau of Investigation,

in the required standard format and copies of all correspondences with the DoE. Further, our Company pursuant to its letters dated January 11, 2022 and January 13, 2022 responded to the emails dated January 11, 2022 from the Foreign Exchange Department and submitted certain additional details in relation to the compounding of contravention relating to external commercial borrowing in the prescribed format and confirmation of delivery of the copies of all correspondences with the DoE. For details, please see “*Outstanding Litigation and Material Developments - Litigation against our Company – Actions Taken by Regulatory and Statutory Authorities*” on page 285. For details regarding allotment of equity shares issued to our Promoter and Jolly Joy between 2002 and 2009, see “*Capital Structure*” on page 67.

We cannot assure you that the RBI will approve our compounding application in respect of the contraventions highlighted above or any other contravention under the Indian exchange control regulations. The FEMA stipulates a penalty of up to three times the amount involved in the contravention where such amount is quantifiable, and further penalty where such contravention is a continuing one. If our compounding application is allowed, we cannot assure you that the penalty/compounding fees imposed will be reasonable and that it will not have a material adverse effect on our financial condition, our business or our reputation. Further, we cannot assure you that the RBI will not seek more information in relation to the investments made by our Promoter in our Company in the future and that we will be able to provide satisfactory answers and information for all such queries from the RBI within the timelines prescribed by the RBI or at all. There can be no assurance that any other regulatory action will not be taken against our Company and/or our Promoter in this regard. Also see, “- *The Directorate of Enforcement has initiated investigations against our Company and has issued summons to our Promoter, certain members of the Promoter Group and some of the employees of our Company directing them to provide information in relation to themselves, our Company and certain Promoter Group entities. The DoE may pass adverse adjudication orders against us or our Promoter which may adversely impact our business, our financial condition and our reputation.*” on page 24.

5. ***The Directorate of Enforcement has initiated investigations against our Company and has issued summons to our Promoter, certain members of the Promoter Group and some of the employees of our Company directing them to provide information in relation to themselves, our Company and certain Promoter Group entities. The DoE may pass adverse adjudication orders against us or our Promoter which may adversely impact our business, our financial condition and our reputation.***

In relation to investigation under FEMA, the DoE has issued several letters of enquiry against our Company under Section 37 of the FEMA read with Section 133 of the IT Act since Fiscal 2006 and summons to our Promoter, his wife, Jolly Joy, his son and our Non-Executive Director, John Paul Joy Alukkas, and certain employees of our Company under Sections 37(1) and 37(3) of the FEMA read with Section 131(1) of the IT Act and Section 30 of the Code of Civil Procedure, 1908 from May 2018 to August 2021 directing them to submit certain information in relation to investments made by our Promoter in our Company, their source of funds, details of cash deposited by our Company during the period of demonetization, details of funds remitted to certain Promoter Group entities; bank account details; and details of import of capital goods and exports by our Company etc. In response to these summons, the required information and documents have been submitted to the DoE and our Company, our Promoter, Promoter Group and/or the employees of our Company have not received any further communication from the DoE, as on the date of filing this Draft Red Herring Prospectus. For details, please see “*Outstanding Litigation and Material Developments - Litigation against our Company – Actions Taken by Regulatory and Statutory Authorities*” on page 285. Further, in relation to an investigation under the Prevention of Money Laundering Act, 2002, the DoE has issued summons dated March 18, 2021 and March 22, 2021 under Section 50(2) and (3) of the Prevention of Money Laundering Act, 2002 to our Promoter and directed our Promoter to provide certain information including details of all purchases made and all cheques deposited by Sharmila, a customer who had defrauded our Company in connivance with certain of our employees and against whom we had filed an FIR. For details of the FIR filed by us against Sharmila, please see “*Outstanding Litigation and Material Developments - Litigation by our Company – Criminal Litigation*” on page 289 and for details of the DoE summons, please see “*Outstanding Litigation and Material Developments - Litigation against our Company – Actions Taken by Regulatory and Statutory Authorities*” on page 285.

We cannot assure you that DoE will not ask for additional information in relation to our Company, our Promoter and/or our Promoter Group or our employees or if we will be able to provide such information in a timely manner and to the satisfaction of the DoE. We also cannot assure you that the investigation being carried out by the DoE against our Company, our Promoter, certain members of our Promoter Group and/or certain of our employees will not continue and that adjudication order will not be passed against our Company and others and penalty or other action will not be imposed or taken thereunder. Any such imposition of penalties or passing of such orders may have a material adverse impact on our business, our financial performance and/or our reputation.

6. ***Certain search and seizure operations were conducted by the Income Tax Department at the corporate office and showrooms of the Company, and residential premises of our Promoter and employees. We may be subject to adverse statutory and regulatory actions from the Income Tax Department or any other statutory or regulatory authority which may adversely impact our business, financial condition and reputation.***

Certain search and seizure operations were conducted by the Income Tax Department (“ITD”) on January 10, 2018 under Section 132 of the IT Act at the corporate office and showrooms of the Company, and residential premises of our Promoter and employees. During the course of search operations, certain assets, documents, records, hard discs, laptops, emails, cash, etc., were seized. Further, sworn statements of our Promoter were also recorded. The Assistant Commissioner of Income Tax, Centre Circle-1 (“ACIT”), Kochi, issued notices during year 2018-2019 to our Company and our Promoter under Section 153A of the IT Act for the assessment year(s) (“AY”) 2012-2013 to 2017-2018, requiring our Company and our Promoter to file revised returns of income. Further certain notices were issued under Section 153A of the IT Act requiring our Company to file returns of income for AY 2009-2010 to AY 2011-2012. In response, our Company and our Promoter filed revised return of income for the AY 2009-2010 to 2018-2019 and AY 2012-2013 to 2018-2019, respectively. The ITD, pursuant to its order dated August 14, 2018 under Section 281B(1) of the IT Act provisionally attached 28 properties belonging to our Company for a period of six months, and prohibited and restrained our Company from transferring, creating any charge on, or parting with the possession of such properties in favor of any other person (“**Company’s Provisional Attachment Order**”). The Company’s Provisional Attachment Order was further extended for a period of six months pursuant to the order dated February 4, 2019. Our Company pursuant to its letter dated July 23, 2019, requested the ACIT, Kochi to cancel the Company’s Provisional Attachment Order and to release such attached properties. Subsequently, *in re* the Company’s Provisional Attachment Order, the ITD pursuant to its order dated August 7, 2019, released 11 properties and further extended the provisional attachment of the remaining 17 properties for a period of six months. The Income Tax Settlement Commission, Additional Bench, Chennai (“ITSC”) further extended the period of attachment for another six months pursuant to its order dated February 13, 2020.

Separately, the ITD pursuant to its order dated August 6, 2018 under Section 281B(1) of the IT Act provisionally attached 34 properties belonging to our Promoter for a period of six months, and prohibited and restrained our Promoter from transferring, creating any charge on, or parting with the possession of such properties in favor of any other person (“Promoter’s Provisional Attachment Order”). The Promoter’s Provisional Attachment Order was further extended for a period of six months pursuant to the order dated February 4, 2019. Subsequently, *in re* the Promoter’s Provisional Attachment Order, the ITD pursuant to its order dated August 1, 2019, released five properties and extended the provisional attachment of the remaining 29 properties for a period of six months. Further, our Promoter pursuant to its letter dated December 2, 2020, requested the ACIT, Kochi to (i) confirm whether the prohibition under section 281B(1) of the IT Act still subsists in relation to the remaining 29 properties; and (ii) withdraw/cancel the Promoter’s Provisional Attachment Order and release the 29 properties.

Our Company and our Promoter filed a settlement application dated October 9, 2019 before the ITSC which was rejected pursuant to an order dated October 16, 2019 on account of non-satisfaction of requirements under Section 245C(1) of the IT Act. Subsequently, our Company and our Promoter approached the ITSC again and filed a settlement application dated December 30, 2019 under Section 245C of the IT Act and Rule 44C and 44CA of the Income Tax Rules, 1962 for the AYs 2009-2010 to 2018-2019. Our Company and our Promoter offered an additional income of ₹4,831.46 million and ₹95.66 million respectively and paid resultant income tax of ₹1,620.58 million and ₹31.86 million respectively on the aforesaid additional income for the relevant AY. Further, our Company *inter alia* requested the ITSC for adjustment out of seized cash lying with the ITD against its additional tax liability. The ITSC, pursuant to its order dated January 13, 2020, admitted the settlement application, and accepted the request of the Company for adjustment of seized cash towards tax liability under Section 245D(1) of the IT Act.

The ACIT, Ernakulam issued a report dated February 4, 2020 to the Principal Commissioner of Income Tax (Central), Kochi (“PCIT”), under Section 245D (2B) of the IT Act objecting that both the applicants (i.e. our Company and our Promoter) have to offer further additional income on unaccounted and undisclosed income. On February 13, 2020 an order of provisional attachment of certain of our Company’s properties was issued. In response to the report issued by ACIT, Ernakulam, our Company and our Promoter filed a reply dated February 18, 2020 to the ITSC. The ITSC, pursuant to its order dated February 25, 2020, held that the settlement applications filed by both the applicants for the relevant AYs are ‘not invalid’ and allowed to be proceeded in the case of our Company and our Promoter. Subsequently, pursuant to its letter dated September 30, 2020, and supplementary submissions dated November 10, 2020, our Company and our Promoter responded to the issues raised by the assessing officer as forwarded by the PCIT vide its report dated July 13, 2020 under Rule 9 of the ITSC Rules, 1997. Pursuant to the Finance Act, 2021, the Government of India has abolished the ITSC with effect from February 1, 2021. In order to dispose off the pending cases, Interim Board for settlement has been constituted vide notification dated August 10, 2021. This matter is currently pending before the Interim Board. For details, see “*Outstanding Litigation and Material Developments - Description of certain tax matters involving our Company, above the materiality threshold adopted by the Board– Direct tax matters*” on page 295.

We cannot assure you that these proceedings before the income tax authorities against our Company and our Promoter, and/or certain of our employees will not continue and that an order will not be passed against our Company and others and additional tax will not be demanded and penalty or other action will not be imposed or taken thereunder. Further, we cannot assure you that the demand of additional tax and imposition of such penalties or passing of such orders will not have a material adverse impact on our business, our financial condition and/or our reputation.

7. Our showrooms are located mostly in south India. Any adverse development affecting such region may have an adverse effect on our business, prospects, financial condition and results of operations.

Most of our showrooms are located in the south of India. Any materially adverse social, political or economic development, natural calamities, civil disruptions, or changes in the policies of the states or local governments in this region could adversely affect operations at our showrooms. Natural disasters such as earthquakes, extreme climatic or weather conditions such as floods or droughts, or diseases heightened or particular to the region, may adversely impact the supply of products, local transportation and operations at our offices and showrooms.

Any such adverse development could result in significant loss from inability to meet inventory schedules and stock our showrooms appropriately, which could materially affect our business reputation within the industry. Should our supply of products be disrupted, we may not be able to procure an alternate source of supply of products in time to meet the demands of our customers, or we may not be able to procure products of equal quality or on equally competitive terms, or at all. Such disruption to supply would materially and adversely affect our business, profitability and reputation.

The following table provides our revenue from operations from various regions in India as a percentage of our revenue from operations, for the periods indicated:

Region / State	Fiscal						Six months ended September 30, 2020		Six months ended September 30, 2021	
	2019		2020		2021		Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)
	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)				
South ⁽¹⁾	73,378.64	90.68%	73,060.62	91.06%	74,611.39	92.50%	19,607.22	93.86%	37,447.38	93.33%
West ⁽²⁾	4,189.30	5.18%	3,852.99	4.80%	3,241.45	4.02%	573.77	2.75%	1,351.45	3.37%
East ⁽³⁾	846.43	1.05%	554.34	0.69%	460.88	0.57%	99.36	0.48%	212.52	0.53%
North ⁽⁴⁾	2,504.05	3.09%	2,769.93	3.45%	2,349.21	2.91%	607.38	2.91%	1,112.26	2.77%
TOTAL	80,918.42	100.00%	80,237.88	100.00%	80,662.93	100.00%	20,887.73	100.00%	40,122.61	100.00%

Notes:

- (1) South region comprises Kerala, Tamil Nadu, Karnataka, Andhra Pradesh and Telangana
- (2) West region comprises Gujarat and Maharashtra
- (3) North region comprises Delhi, Haryana, Punjab and Uttar Pradesh
- (4) East region comprises West Bengal

Since most of our operating revenue is generated from south India, our business is highly vulnerable to regional conditions and 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. While our geographical concentration has reduced as we have expanded our operations, extensive or multiple 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. For example, we were impacted by floods in Kerala in Fiscal 2019 as a result of which we had to temporarily close some of our showrooms in Kerala which resulted in a decline in our cash flows and revenues during that period.

8. We are dependent on third parties for the production and manufacturing of all of our products. Any disruptions at such third-party production or manufacturing facilities, or failure of such third parties to adhere to the relevant quality standards may have a negative effect on our reputation, business and financial condition.

We engage third-party jewellers and contractors for the production and manufacturing all of our products, including the jewellery under our various sub-brands. As of January 31, 2022, we had direct arrangements with 500 job workers and contract manufacturers. Any unscheduled, unplanned or prolonged disruption of operations at our job-workers' manufacturing facilities, including on account of power failure, fire, mechanical failure of equipment, performance below expected levels of output or efficiency, obsolescence of equipment or manufacturing processes, non-availability of adequate labour or disagreements with workforce, lock-outs, earthquakes and other natural disasters, industrial accidents, any significant social, political or economic disturbances or infectious disease outbreaks, could affect our vendors' ability to meet our requirements, and could consequently affect our operations. We are also exposed to the risk of our job-workers and contractors failing to adhere to the standards set for them by us and statutory bodies in respect of quality, safety and distribution which in turn could adversely affect our sales and revenues. While there have been no such instances in the past, there can be no assurance that there will not be such instances in the future.

Any delay or failure on the part of our job-workers and contractors to deliver the products in a timely manner or to meet our quality standards, or any litigation involving these job-workers and contractors may have a material adverse effect on our business, profitability, and reputation. Since we typically enter into product-specific purchase orders for manufacture, we may also be unable to replace these job-workers and contractors at short notice, or at all, and may face delays in production and added costs as a result of the time required to identify new job-workers and contractors may adversely affect our results of operations and financial condition. Our operations could be disrupted if we do not successfully manage relationships with our job-workers and contractors, if they do not perform or are unable to perform agreed-upon services, or if they are unwilling to make their services available to us at reasonable prices. If our job-workers and contractors do not perform their contractual obligations, it could adversely affect our reputation, business, financial condition and results of operations.

In addition, while we exercise significant influence over the entire manufacturing process and undertake a number of quality control procedures to ensure that we sell quality jewellery to our customers, including having all of our gold jewellery hallmarked by BIS except gold jewellery weighing less than two grams which is not required to be hallmarked and conducting sample tests on each new batch of products we receive from our contract manufacturers, 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 contract manufacturers receive negative publicity, our reputation, business and results of operations could be adversely affected.

9. 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.

We sell our products through our showrooms which include our large-format stores. Between Fiscal 2017 and Fiscal 2021, we opened 28 new showrooms at an average rate of approximately six showroom openings per year across multiple regions. As of January 31, 2022, we had 5,132 employees across various categories, i.e., permanent employees, employees under probation and employees doing their apprenticeship with over 4,227 retail-focused employees across 85 showrooms having a retail area of 344,458 square feet which covers 13 states and union territories in India. Our showrooms are usually located in high-visibility and high-street areas. As part of our growth strategy, we plan to further expand our showroom network in India. For further information, see “*Objects of the Issue*” on page 75.

We have traditionally grown our operations in the southern regions of India and as of January 31, 2022, over 84.00% of our showrooms were located in these regions. Expansion into new geographic regions, including different cities and states in India, subjects us to various challenges, including those relating to our lack of familiarity with the culture, legal regulations and economic conditions of these new regions, language barriers, difficulties in staffing and managing such operations, and the lack of brand recognition and reputation in such regions. The risks involved in entering new geographic markets and expanding operations, may be higher than expected, and we may face significant competition in such markets. By expanding into new geographical regions, we could be subject to additional risks associated with establishing and conducting operations, including risks associated with our ability to position our new showrooms to successfully establish a foothold in new markets and to execute our business strategy in new markets; the demand of our products in such new markets; our ability to obtain suitable properties at commercially viable prices; our ability to successfully integrate the new showrooms with our existing operations and achieve related synergies; our ability to introduce an optimal mix of merchandise which successfully meets local customer preferences at attractive prices; our ability to negotiate and obtain favourable terms from our vendors; the effectiveness of our marketing campaigns; our ability to hire, train and retain skilled personnel; the competition that we face from incumbent and new jewellery retailers in the region; and exposure to expropriation or other government actions; political, economic and social instability.

We will also be required to obtain certain approvals to carry on business in new locations and there can be no assurance that we will be successful in obtaining such approvals. For details of material approvals required to carry on business, see “*Government and Other Approvals*” on page 298. Further, we expect our expansion plans to place significant demand on our managerial, operational and financial resources, and our expanded operations will require further training and management of our employees and the induction and training of new employees. In addition, as we enter new markets, we face competition from both organised and unorganised jewellery retailers. We have closed three showrooms due to commercial considerations in the last three Fiscals. If any of our showrooms do not achieve our expected level of profitability within our expected timeframe, or at all, our expansion plans and our results of operations, financial condition and profitability may be materially and adversely affected, and we may decide to close some of them. An inability to effectively manage our expanded operations or pursue our growth strategy may lead to operational and financial inefficiencies, which could have a material adverse effect on our business prospects, financial condition and results of operations.

10. 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 Managing Director, namely, Alukkas Varghese Joy and one of our Non-Executive Directors, namely, John Paul Joy Alukkas, who is also a member of our Promoter Group, have interests in entities in India and abroad, which are engaged in lines of business similar to that of our Company. Our Promoter and Managing Director is a director on the board of directors of Joy Alukkas Holdings Inc., British Virgin Islands, Joy Alukkas Jewellery Co WLL, Kingdom of Bahrain, Joy Alukkas Jewellery Co WLL, Kuwait, Joy Alukkas Jewellery LLC, Dubai, UAE, Joy Alukkas Jewellery LLC, Sultanate of Oman, Joy Alukkas Jewellery WLL, Qatar, Joyalukkas Company Ltd, Kingdom of Saudi Arabia, Joyalukkas Jewelry California Inc, Joyalukkas Jewelry Georgia Inc., Joyalukkas Jewelry Illinois Inc., Joyalukkas Jewellery International PTE. Ltd., Singapore, Joyalukkas Jewelry Maryland Inc, Joyalukkas Jewelry New Jersey Inc., Joyalukkas Jewellery SDN BHD, Malaysia, Joyalukkas Jewelry Texas Inc., Joyalukkas Limited, United Kingdom; and Joyalukkas US Holding Inc. which are engaged in the similar line of business as our Company. Further, our Non-Executive Director, and a member of our Promoter Group, John Paul Joy Alukkas is a director on the board of directors of Joy Alukkas Co WLL, Bahrain, Joy Alukkas Company Ltd, Saudi Arabia, Joy Alukkas Holdings Inc., Joy Alukkas Jewellery LLC, Dubai, Joy Alukkas Jewellery LLC, Oman, Joy Alukkas Jewellery WLL, Qatar, Joyalukkas Jewellery International PTE Ltd, Joyalukkas Jewellery SDN, BHD, Malaysia, Joyalukkas Jewelry California Inc, Joyalukkas Jewelry Georgia Inc, Joyalukkas Jewelry Illinois Inc., Joyalukkas Jewelry Maryland Inc, Joyalukkas Jewelry New Jersey Inc., Joyalukkas Jewelry Texas Inc., Joyalukkas Ltd, United Kingdom and Joyalukkas US Holdings INC which are engaged in the similar line of business as our Company. Our Promoter has, pursuant to the Non-Competition Agreement dated January 3, 2011, agreed not to carry out any activities including owning, managing or controlling any entity directly or indirectly in competition with the business of the Company in India. The Non-Competition Agreement is valid so long as our Promoter and his affiliates collectively hold more than 50% of the paid-up equity share capital of our Company or have the power to exercise more than 50% of the voting rights in our Company, or until our Promoter and his affiliates continue to exercise control over our Company, whichever is later. For details, see “*History and Certain Corporate Matters –Other Agreements*” on page 154.

Further, our Company has also entered into a trademark cooperation agreement dated March 10, 2022 (“**Trademark Cooperation Agreement**”) with two overseas entities founded by our Promoter which operate their respective businesses under the brand name “Joyalukkas” in their respective territories, to preserve the value of the trademarks and agreed to use the trademarks in accordance with the terms of the Trademark Cooperation Agreement. For further details, see “- *If we are unable to protect our intellectual property and proprietary information, or if we infringe the intellectual property rights of others or are unable to distinguish the “Joyalukkas” brand name from other brands, our business, financial condition, cash flows and results of operations may be adversely affected.*” and “*History and Certain Corporate Matters –Other Agreements*” on pages 28 and 154.

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 future. Such factors may have an adverse effect on the results of our operations and financial condition.

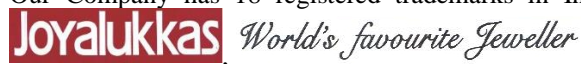
11. Our ability to attract customers is dependent on the success and visibility of our showrooms.

We endeavour to open showrooms in optimal locations and generally consider a relevant location’s demographics, spending capacity, economic conditions, cost-benefit analysis and proximity to our competitors’ showrooms. Between Fiscal 2017 and Fiscal 2021, we opened 28 new showrooms at an average rate of approximately 6 showroom openings per year across multiple regions. Sales at our showrooms are derived, in part, from the volume of customer visits in the relevant locations. These showroom locations may become unsuitable, and our sales volume and customer footfall generally may be slowed, by, among other things: economic downturns in a particular area; competition from nearby jewellery companies; 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.

Given the long term nature of our leases and our dependence on customer footfall to our showrooms, our success is dependent upon the continued popularity of particular locations. Changes in areas around our showroom locations that result in reductions in customer footfall or otherwise render the locations unsuitable could result in reduced sales volume, which could materially and adversely affect our business, financial condition and results of operations.

12. If we are unable to protect our intellectual property and proprietary information, or if we infringe the intellectual property rights of others or are unable to distinguish the “Joyalukkas” brand name from other brands, our business, financial condition, cash flows and results of operations may be adversely affected.

Our Company has 18 registered trademarks in India under the Trademarks Act, 1999, including for the trademarks



, and “Joy Alukkas” under Classes 14, 35 and 36 of the Trademarks Act,



1999. Our Company has applied for the registration of its corporate logo, under classes 14 and 35

of the Trademarks Act, 1999, which was objected under class 14 and accepted and advertised under class 35. Our Company has filed a reply dated December 21, 2021 to the examination report dated November 26, 2021 issued by the Registrar of Trade Marks, Chennai, refusing the trademark application for registration of our corporate logo under class 14. For further information, see “*Our Business*” on page 129 and “*Government and Other Approvals – Intellectual Property*” on page 299. Our Company has applied for the registration of trademarks of the sub-brands of the Company, including “*Pride*”, “*Eleganza*”, “*Zenina*”, “*Apurva*” and “*Masaaki*”. Our Company has applied for rectification of proprietor’s name in our registered trademarks from “Joy Alukkas Traders (India) Private Limited” and “Joyalukkas India Private Limited” to “Joyalukkas India Limited”. Further, our trademark applications for the trademarks “*Be Mine*” and “*Joyalukkas*” have been opposed. We have trademark applications pending, any of which may be subject to governmental or third-party objection, which could prevent the maintenance or issuance of the same. We may not always be able to safeguard the same from infringement or passing off, both domestically and internationally, and may not be able to respond to infringement or passing off activity occurring without our knowledge. Certain proprietary knowledge may be leaked, either inadvertently or wilfully, at various stages of manufacturing. In the event that the confidential information in respect of our products or business becomes available to third parties or to the general public, any competitive advantage we may have over other companies in the jewellery industry could be compromised. Moreover, our existing trademarks may expire, and there can be no assurance that we will renew them after expiry.

If a dispute arises with respect to any of our intellectual property rights or proprietary information, we will be required to produce evidence to defend or enforce our claims, and we may become party to litigation, which may strain our resources and divert the attention of our management. We cannot assure you that any infringement claims that are material will not arise in the future or that we will be successful in defending any such claims when they arise. Unauthorized use of our intellectual property rights by third parties could adversely affect our reputation. We may be required to resort to legal action to protect our intellectual property right, which may strain our resources and divert the attention of our management. Any adverse outcome in such legal proceedings or our failure to successfully enforce our intellectual property rights may adversely affect our ability to use intellectual property, which could have an adverse effect on our business, results of operations and cash flows.

We believe that one of the principal factors that differentiate us from our competitors in the jewellery industry is our brand name and brand identity. We believe that our customers associate our brand name with high quality products, unique designs and services. If we do not maintain our brand identity or fail to deliver quality products at competitive prices, we may not be able to maintain our competitive edge. If we are unable to compete successfully, we could lose our customers. Whilst we have



applied for registering our logo in India, the brand name “Alukkas” is used by other members of our Promoter’s family in their business operations, including in the jewellery business. Any confusion due to the existence of another Alukkas brand could negatively impact our business and results of operations. As there are multiple stores bearing the brand name “Alukkas” and operating in the same geographical locations where we conduct our operations, customers may purchase products from our competitors under the assumption that the entity is a part of our Company. Any loss of customers or confusion due to the existence of different “Alukkas” brands could adversely impact our financial performance, profitability and our brand. Further, the brand names “Alukkas” and/or “Joyalukkas” are also used by the members of the Promoter Group in their business operations outside India and our Company currently does not have any pending or registered trademark outside India for the brand names “Alukkas” and/or “Joyalukkas”. Our Company and two overseas Promoter Group entities founded by our Promoter, namely, Joy Alukkas Jewellery LLC, Dubai, UAE and Joy Alukkas Holdings, Inc., British Virgin Islands (“**Overseas Group**”) operate their respective businesses of manufacturing and selling jewellery under the brand name “Joyalukkas” in their respective territories and have created and use certain trademarks in the relevant territories in which they operate. Given the commercial and business value of each of the trademarks used by the Company and the Overseas Group for their respective business, the parties have, to better preserve the value of the trademarks, agreed to use the trademarks in accordance with the terms of the Trademark Cooperation Agreement. Pursuant to the terms of the Trademark Cooperation Agreement, each party has agreed, *inter alia*, that it shall: (i) operate the business of manufacturing and selling jewellery in its respective territory, without interference or impediment with the other’s business; (ii) only use the relevant trademarks in the respective territories where it operates its business (i.e., the Overseas Group to use the relevant trademarks for its or its affiliates business in countries outside India where the Overseas Group is, or proposes to be, engaged in the jewellery business and our Company to use the relevant trademarks for its business within the territory of India); (iii) use the trademarks in accordance with the trademark and brand usage guidelines, standards and specifications (technical or otherwise), as communicated or approved by our Company from time to time; (iv) have the right to register new trademarks in relation to their business in their respective territories; and (v) neither party shall at any time contest or challenge the title or validity of any of the trademarks owned by the other party or do anything that would diminish the title rights to the trademarks of the other party. Unless terminated earlier, the initial term of the Trademark Cooperation Agreement is 10 years from March 10, 2022. For further details, see “*History and Certain Corporate Matters – Other Agreements*” on page 154.

Our brand can be adversely affected by negative publicity or any material litigation or claims concerning other businesses using the name “Alukkas” or “Joyalukkas” or similar trade names, whether or not they are part of the Promoter Group. Any negative publicity with respect to such other businesses could adversely impact us, our brand and our products. Negative publicity

regarding the brand ambassadors we choose to represent our brand could also negatively impact us. Our ability to control this risk is limited, which could materially and adversely affect our financial condition and results of operations.

13. The non-availability or high cost of quality gold bullion, 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, 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, particularly for jewellery to be sold within India, is primarily sourced from nominated banks and bullion dealers. In Fiscals 2019, 2020 and 2021 and in the six months ended September 30, 2020 and September 30, 2021, we sourced 2,500.00 kilograms, 1,112.26 kilograms, 948.92 kilograms, 132.00 kilograms and 403.00 kilograms of gold, respectively, pursuant to such arrangements. 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 precious and semi-precious stones for a particular 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 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. There has been a significant increase in the cost of gold and diamonds in Fiscal 2021 compared to Fiscal 2020. However, such increase has not resulted in an increase in our operational cost since any increase in the prices of raw materials are passed on to the customer. We cannot assure you that we will be able to procure quality raw materials at competitive prices or at all. Further, any rise in gold and diamond prices may cause customers to delay their purchases, thereby adversely affecting our business, operations and financial condition.

Our gold loan arrangements are typically limited by the amount of gold that we can procure under the agreement and we may not be able to renew these agreements, on favourable terms, or at all. In addition, while we have arrangements with multiple suppliers, if for any reason, a large number of our suppliers of raw materials curtail or discontinue their delivery of such raw materials to us, in the quantities we need and at prices that are competitive, our ability to meet our material requirements for our operations could be impaired, our delivery schedules could be disrupted and our business and reputation may be adversely affected.

Apart from our agreement with Forevermark for diamonds in respect of our authorized Forevermark showrooms, we typically execute purchase orders for diamonds on a spot basis with our suppliers and have not entered into any long-term contracts with them. Purchase of diamonds is on a fixed payment basis, i.e., the price and the credit period is fixed at the time of purchase. Should any of these suppliers cease to be able or willing to continue supplying us with diamonds on terms that are acceptable to us, we may have to find other suppliers. There can be no assurance that such other suppliers will be able to meet our needs or be as reliable or provide diamonds of the same quality at the same prices as our current suppliers. Any disruption of supplies from our current diamond suppliers or a failure to adequately replace them may materially and adversely affect our business, financial condition and results of operations.

14. We have incurred indebtedness, and an inability to comply with repayment and other covenants in our financing agreements could adversely affect our business and financial condition.

As of February 28, 2022 we had total outstanding borrowings of ₹ 15,244.65 million. Certain of our financing agreements contain restrictive covenants, including requirements that we obtain consents from our lenders prior to undertaking certain matters including altering our capital structure, changing the shareholding in our Company, further issuance of any shares, effecting any scheme of amalgamation or reconstruction, changing the management or ownership, effecting a change in control of the Company, diluting Promoter's shareholding or of controlling stake, sale or disposal of assets of the Company, creation of security, amendment of our constitutional documents and expansion of business operations. Further, in terms of security, we are required to create mortgages, charge over our movable properties and immovable properties belonging to us and certain Promoter Group members and Group Companies, obtain personal guarantees from the Promoter and certain Promoter Group members, obtain corporate guarantees, create lien on fixed deposits and issue post-dated cheques. We may also be required to furnish additional security, if required by our lenders. Additionally, we are required to, among others, maintain the prescribed debt coverage ratio, total net worth, and fixed asset coverage ratio. There can be no assurance that we will be able to comply with these financial or other covenants at all times or that we will be able to obtain consents necessary to take the actions that we believe are required to operate and grow our business. While we have received all relevant consents required for the purposes of this Issue and have complied with these covenants, a failure to comply with such covenants in

the future may restrict or delay certain actions or initiatives that we may propose to take from time to time. Additionally, some of our lenders may recall all or part of amounts borrowed by us on short or no notice. Such recalls on borrowed amounts may be contingent upon happening of an event beyond our control and there can be no assurance that we will be able to persuade our lenders to give us extensions or to refrain from exercising such recalls which may adversely affect our operations and cash flows. Further, some of our lenders may have the right to appoint a nominee on the Board or to appoint an observer to attend meetings of the Board in an event of default under the financing documents or otherwise.

The consequences of not being in compliance with terms and conditions of the loan agreements including the financial covenants could be acceleration of maturity of the facility sanctioned to us and declaring all amounts outstanding, enforcement of security and exercising by the lenders of any right available to them under such loan agreements. Further, any fluctuations in the interest rates or downgrade in the credit ratings assigned to our debt instruments may directly impact the interest costs of such loans. Our ability to make payments on and refinance our indebtedness will depend on our continued ability to generate cash from our future operations. We may not be able to generate enough cash flow from operations or obtain enough capital to service our debt. Any failure to comply with the conditions and covenants in our financing agreements that is not waived by our lenders or guarantors or otherwise cured could lead to a termination of our credit facilities, foreclosure on our assets, acceleration of all amounts due under such facilities or trigger cross-default provisions under certain of our other financing agreements, any of which could adversely affect our financial condition and our ability to conduct and implement our business plans. If our lenders of a material amount of the outstanding loans declare an event of default simultaneously, we may be unable to pay such amounts when they fall due. For further information, see “*Financial Indebtedness*” on page 282.

15. We have significant working capital requirements and if we are unable to secure adequate working capital loans on commercially reasonable terms it could have a material adverse effect on our business, financial condition and results of operations.

Our business requires a substantial amount of working capital, primarily to finance our inventory, including, the purchase of raw materials. Moreover, we may need substantial working capital for expansion of our business. Most of this working capital is provided by bank loans. Such financing could cause our debt to equity ratio to increase. Further, pursuant to a circular dated December 30, 2010, the RBI has directed banks to apply enhanced due diligence measures on high risk customers such as jewellers. Our inability to obtain and/or maintain sufficient cash flow, credit facilities and other sources of funding, in a timely manner, or at all, to meet our working capital requirements or to pay our debts, could adversely affect our financial condition and results of operations. For further information regarding the working capital facilities currently availed of by us, see “*Financial Indebtedness*” on page 282. Also see “ - *We obtain a part of our gold requirement through gold metal loans which are subject to RBI regulations in India. Any adverse change in the regulations governing gold metal loans may adversely affect our financial condition and results of operations*” on page 35.

16. A majority of our showrooms and our Registered and Corporate Office are located on leased premises. If we fail to renew these leases on competitive terms or if we are unable to manage our lease rental costs, our results of operations would be materially and adversely affected.

As majority of our showrooms and our Registered and Corporate Office are operated on properties that are either leased or obtained on a leave and license basis, we are exposed to the market conditions of the retail rental market. We generally enter into lease agreements with initial terms of five to 25 years, and certain of these agreements have lock-in periods preventing our Company and/or the lessors from terminating the agreement within a stipulated period, without forfeiting the security deposit provided. Most of our lease agreements contain an early termination clause that permits us to terminate the lease agreement early for the reasons specified therein.

While we have renewal options for certain of our leases, we typically need to renegotiate the terms of renewal with the lessor, who may insist on a significant modification to the terms and conditions of the lease agreement. All our leased showrooms have a fixed rent for a specific period, subject to applicable escalations. Where we do not have an option to renew a lease agreement, we must negotiate the terms of renewal with the lessor, who may insist on a significant modification to the terms and conditions of the lease agreement. If a lease agreement is renewed at a rate substantially higher than the existing rate, or if any existing favourable terms granted by the lessor are not extended, we must determine whether it is desirable to renew on such modified terms. If we are unable to renew leases for our showroom sites on acceptable terms or at all, we will have to close or relocate the relevant showrooms, which would eliminate the sales that those showrooms would have contributed to our revenues during the period of closure, and could subject us to construction, renovation and other costs and risks.

As part of our showroom roll out process, we enter into letters of intent, memoranda of understanding or term sheets and submit deposits to the relevant owners of the properties where a new showroom will be located once, we have identified a site to develop. The letters of intent, memoranda of understanding or term sheets are typically followed by a definitive lease agreement in the form of a lease deed or leave and license agreement being entered into between the parties within a specified time period or they terminate unless extended. We may be delayed or be unable to enter a definitive lease agreement with respect to a specific site for various reasons, some of which are beyond our control, which may result in us not being able to

recover deposits placed with relevant owners. Further, in the event such letters of intent lapse or are terminated, we may have to identify alternate showroom locations for which we expend significant time and resources. Additionally, lease agreements are required to be duly registered and adequately stamped under the Indian law in order for them to be enforceable or admissible as evidence in a court of law. Several of our lease agreements are unregistered and may not be adequately stamped, and therefore, we may face challenges in enforcing them and they may be inadmissible as evidence in a court in India subject to penalties along with the requisite stamp duty prescribed under applicable Indian law being paid.

17. We may be unable to expand our product offerings and distribution channels.

We expect, in the coming years, to expand our portfolio of jewellery by increasing our focus on diamond and other studded jewellery due to customer demand. Although we believe that new products will complement and leverage the perception of our brand and existing product portfolio, there is no certainty that these products will be well received by customers or that they will not hurt the perception of our brand and existing product portfolio. Moreover, the jewellery industry is highly competitive and there may be established players catering to demand for new products we launch, which may make it difficult for us to gain market share with respect to new product offerings.

We also intend to expand our online sales platform to maximise customer reach and foster the potential for additional revenue opportunities. In 2018, we launched our online jewellery platform, www.joyalukkas.in. In expanding our online sales platform, we face the risk that our websites may not be stable or may not properly perform the functions which we intend them to perform, resulting in the loss of revenues and potential damage to our brand. Our websites and IT systems are subject to damage or interruption from power outages, computer and telecommunications failures, software errors, computer viruses, security breaches, natural disasters and the delayed or failed implementation of new computer systems. For further details, see, “ – *Our e-commerce business faces distinct risks, and our failure to successfully manage those risks could have a negative impact on our profitability*” on page 36. Although our Company has taken certain steps such as implementation of a firewall, unified threat management systems at our offices and all our showrooms and end point protection, however, any damage or interruption to our websites and other information systems may require a significant investment to fix or replace, and we may suffer interruptions in our operations, leading to a material adverse effect on our business, results of operations and financial condition.

18. 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 and who are generally less financially resilient than corporate entities. Demand for gold jewellery in India dropped to a 25-year low due to COVID-19 pandemic and increase in price of gold. Gold demand fell by 42% to approximately 446 tonnes in 2020 compared to approximately 544 tonnes in 2019. Due to the COVID-19 crisis, consumption priorities have changed and have been skewed in favour of need-based products and services. (Source: *Technopak Report*) 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.

19. We are required to obtain, renew or maintain certain statutory and regulatory permits and approvals required to operate our business, and if we fail to do so in a timely manner or at all, or these requirements are made more stringent, we may be unable to fully or partially operate our business and our results of operations may be adversely affected.

Our operations are subject to government regulation concerning jewellery manufacture and sale and we are required to obtain and maintain several statutory and regulatory permits and approvals under central, state and local government legislation for operating our business generally, including tax registrations, labour licenses, shops and establishment registration and trade license. For further information on approvals relating to our business and operations, see “*Government and other Approvals*” on page 298. Further, we are required to obtain central, state or local approvals in relation to our showrooms and our manufacturing unit, such as, legal metrology licenses, certifications/licenses from the BIS, professional tax registrations, amongst others and such approvals required by us may be subject to numerous conditions including *inter alia* minimum fire safety measures in the showroom premises, intimation requirement to the relevant authority for expansion of business area, requirement of application for renewal at least a month prior to the expiry of existing licenses etc. Certain of our material approvals, registrations, permits and licenses may expire in the ordinary course of business and our Company is in the process

of renewing such key approvals, as necessary.

Further, we were operating a manufacturing unit situated in Thrissur, Kerala, without certain approvals under the Kerala Factories Rules, 1957, which was discontinued pursuant to the Board resolution dated December 1, 2021. Subsequently, we had made an application to the Department of Factories & Boilers, Thiruvananthapuram for obtaining registration, grant of license and notice of occupation under the Rules 4 and 12 of the Kerala Factories Rules, 1957, as amended, which was returned on March 20, 2022 and March 24, 2022 by the relevant authority on account of non-inclusion of the name of the occupier in the list of directors and non-submission of the Board resolution regarding appointment of occupier, respectively. Subsequently, our Board has passed the requisite resolution on March 25, 2022, and has submitted the resolution to the relevant authority. However, there is no assurance that we will be able to obtain such registration and license in a timely manner, or at all and in the event that we are unable to obtain such registration and license, we may be required to take necessary actions at the appropriate stage, including shifting the premises of the manufacturing unit, if required. For further information on pending approvals, see “*Government and Other Approvals*” on page 298.

Further, while we have applied for some of these approvals, there is no assurance that such approvals will be issued or granted to us in a timely manner, or at all. Since, our New Showrooms are in construction phase, we are yet to apply for permits, approvals and registrations for the New Showrooms. For further details, see “*Objects of the Issue — Financing the opening of New Showrooms — Government Approvals*” on page 85. If we do not receive such approvals or are not able to renew the approvals in a timely manner or at all, our existing and prospective business and operations may be adversely affected. There is no assurance that these would not be suspended or revoked in the event of accidental non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. If there is any failure by us, through a failure of our employees, Directors or Promoter, to comply with the applicable regulations or if the regulations governing our business are amended, we may incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business.

20. Our Promoter and certain members of the Promoter Group have provided personal guarantees for loan facilities obtained by us, and any failure or default by us to repay such loans could trigger repayment obligations on our Promoter and members of the Promoter Group, which may also impact our Promoter’s ability to effectively service its obligations as our Promoter and thereby, adversely impact our business and operations.

As of February 28, 2022, the secured borrowings availed by our Company from certain lenders are secured by the personal guarantees provided by our Promoter and certain members of the Promoter Group, namely Jolly Joy and Mary Jeny Joy, and corporate guarantees provided by certain members of the Promoter Group. As of February 28, 2022, outstanding amounts from credit facilities personally guaranteed by our Promoter and members of the Promoter Group amounted to ₹13,217.97 million, which constituted 86.49% of our indebtedness as on such date.

Any default or failure by us to repay our loans in a timely manner or at all could trigger repayment obligations on the part of our Promoter and certain members of the Promoter Group, in respect of such loans. This could have an adverse effect on our business, results of operation and financial condition. We may not be successful in procuring guarantees to supplement/substitute the guarantees provided by our Promoter and certain Promoter Group members satisfactory to the lenders, and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could affect our business prospects, financial condition, results of operations and cash flows.

21. If we fail to cost-effectively turn existing customers into repeat customers or to acquire new customers, our business, financial condition, and results of operations would be harmed.

The growth of our business is dependent upon our ability to continue to grow by cost-effectively turning existing customers into repeat customers and adding new customers. Although we believe that many of our customers originate from word-of-mouth and other non-paid referrals, we expect to continue to expend resources and run marketing campaigns to acquire additional customers, all of which could impact our overall profitability. If we are not able to continue to expand our customer base or fail to retain customers, our net sales may grow more slowly than expected or decline.

The Indian online jewellery market is estimated to be approximately US\$ 1.3 billion with a penetration of less than 2% in the US\$ 57 billion jewellery market in Fiscal 2020 (*Source: Technopak Report*). Gaining market acceptance of the e-commerce and omnichannel approach to shopping for jewellery is critical to our continued customer retention and growth. Transitioning the consumer in-store experience to an online platform for jewellery is difficult because jewellery tends to be a considered a high-value purchase that consumers like to physically see and touch before making a purchase. (*Source: Technopak Report*), and if consumers and retailers do not embrace the transition to an e-commerce and omnichannel jewellery retail experience as we expect, our business and operations could be harmed. Moreover, even if more consumers begin to shop for jewellery online, if we are unable to address their changing needs and anticipate or respond to market trends and new technologies in a timely and cost-efficient manner, we could experience increased customer churn and other negative impacts on our business and results of operations.

Our ability to attract new customers and increase net sales from existing customers also depends in large part on our ability to enhance and improve our existing products and to introduce new products and services that appeal to the customers, in each case, in a timely manner. We also must be able to identify and originate trends, as well as anticipate and react to changing consumer demands in a timely manner. The success of new products and services depends on several factors, including their timely introduction and completion, sufficient demand, and cost effectiveness. While we expect introduction of new technologies to lead to improvements in the performance of our business and operations, including inventory prediction and customer footfall prediction and management, any flaws or failures of such technologies could cause interruptions or delays in our service, which may harm our business.

Our number of customers may decline materially or fluctuate as a result of many factors, including, among other things:

- dissatisfaction with the quality, pricing of products, or changes we make to our products and services;
- the quality, consumer appeal and price of products and services offered by us;
- intense competition in the jewellery industry;
- negative publicity related to our brand;
- the unpredictable nature of the impact of the COVID-19 pandemic or a future outbreak of disease or similar public health concern.

In addition, if we are unable to provide high-quality support to customers or help resolve issues in a timely and acceptable manner, our ability to attract and retain customers could be adversely affected. If our number of customers declines or fluctuates for any of these or other reasons, our business would suffer.

22. There are outstanding litigation proceedings against our Company, Directors, Promoter and Group Companies. Any adverse outcome in such proceedings may have an adverse impact on our reputation, business, financial condition, results of operations and cash flows.

There are outstanding legal proceedings against our Company, Directors, Promoter and Group Companies, which are pending at various levels of adjudication before various courts, tribunals and other authorities. The summary of outstanding matters set out below includes details of criminal proceedings, tax proceedings, statutory and regulatory actions and other material pending litigation (as defined in the section “*Outstanding Litigation and Other Material Developments*” on page 284) involving our Company, Directors, Promoter and Group Companies.

Type of Proceedings	Number of cases	Amount^ (₹ million)
Cases against our Company		
Criminal proceedings	1	Not-quantifiable
Actions by statutory or regulatory authorities	7	94.00
Claims related to direct and indirect taxes	43	1,612.96
Other pending material litigation proceedings	NIL	NIL
Total	51	1706.96
Cases against our Directors other than our Promoter		
Criminal proceedings	NIL	NIL
Actions by statutory or regulatory authorities	1	Not-quantifiable
Claims related to direct and indirect taxes	NIL	NIL
Other pending material litigation proceedings	NIL	NIL
Total	1	Not-quantifiable
Cases against our Promoter		
Criminal proceedings	1	Not-quantifiable
Actions by statutory or regulatory authorities	4	Not-quantifiable
Claims related to direct and indirect taxes	2	6.12
Disciplinary action taken against our Promoter in the five Fiscals preceding the date of this Draft Red Herring Prospectus by SEBI or any stock exchange	NIL	NIL
Other pending material litigation proceedings	2	400.00
Total	9	406.12
Material litigation involving our Group Companies		
Material civil litigation	1	400.00
Total	1	400.00
Total	62	2,513.08

^To the extent quantifiable

There can be no assurance that these legal proceedings will be decided in our favour or in favour of our Company, Directors, Promoter and Group Companies. In addition, we cannot assure you that no additional liability will arise out of these

proceedings. Decisions in such proceedings adverse to our interests may have an adverse effect on our business, results of operations and financial condition.

23. *We obtain a part of our gold requirement through gold metal loans which are subject to RBI regulations in India. Any adverse change in the regulations governing gold metal loans may adversely affect our financial condition and results of operations.*

We procure gold used for our jewellery from various banks in India by way of gold metal loans for our respective operations in each region as well. For details, see “*Financial Indebtedness*” on page 282. We benefit from significantly lower effective interest rates by procuring gold through gold metal loans as compared to the interest rates payable if we procure gold through fund-based loans. However, such interest rates remain subject to any changes in price of the gold in the international markets.

Gold metal loans are subject to RBI regulations. For details, see the section “*Key Regulations and Policies in India*” on page 147. In the event of any adverse regulatory development or in the event that we are otherwise not able to avail such gold metal loans, we may not be able to benefit from such low interest rates. We cannot assure you that we will always be able to enjoy these benefits. In the event there is any such adverse change in these regulations in the future, we may not be able to enjoy the maximum borrowing period as allowed by the RBI or borrow the funds at comparatively lower rates. Such adverse changes may affect our working capital cycle and could have an adverse effect on our financial condition and results of operation.

24. *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. Our industry typically encounters some inventory loss on account of employee theft, shoplifting, vendor fraud, credit card fraud and general administrative error. We maintain large amounts of inventory at all our showrooms at all times and had a total inventory of ₹ 43,967.71 million, as of September 30, 2021. There have been incidents of theft and fraud in the past which were reported and are still pending. For instance, our Company has filed a criminal complaint against three former employees and a customer of our Company on the grounds that such former employees conspired together with the customer to defraud our Company by forging the stocks of jewellery at one of our Company’s showroom. Our Company has also filed a criminal complaint in one of the past instances of theft, on the grounds that the accused has stolen gold ornaments being carried by one of the employees of our Company. For further information, see “*Outstanding Litigation and Other Material Developments*” on page 284. While we have adopted various security measures, including 24/7 video surveillance, engaging security personnel and particular insurance coverage like fidelity guarantee insurance cover, there can be no assurance that we will not experience any fraud, theft, employee negligence, security lapse, loss in transit or similar incidents in the future, which could adversely affect our results of operations and financial condition.

Additionally, in case of losses due to theft, fire, breakage or damage caused by other casualties, there can be no assurance that we will be able to recover from our insurers the full amount of any such loss in a timely manner, or at all. If we incur a significant inventory loss due to third-party or employee theft and if such loss exceeds the limits of, or is subject to an exclusion from, coverage under our insurance policies, it could have an adverse effect on our business, results of operations and financial condition. In addition, if we file claims under an insurance policy it could lead to increases in the insurance premiums payable by us or the termination of coverage under the relevant policy. For further information in relation to our insurance policies, see “- *Our insurance cover may not be adequate, or we may incur uninsured losses or losses in excess of our insurance coverage*” on page 41.

25. *Our Company has unsecured loans in the form of vendor bill discounting that may be recalled by the lenders at any time and our Company may not have adequate funds to make timely payments or at all.*

Our Company has availed unsecured loans in the form of vendor bill discounting, which may be recalled by such lenders at any time. Such loans may not be repayable in accordance with any agreed repayment schedule and may be recalled by the lenders at any time. In the event that such lender seeks repayment of any such vendor bill discounting, our Company would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all. As a result, any such demand may materially and adversely affect our business, cash flows, financial condition and results of operations.

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

Our products may contain quality issues or undetected errors or defects, especially when first introduced or when new products are developed, resulting from the design or manufacture of the product or raw materials used in the product. We have implemented quality control processes and regularly conduct inspections of raw materials sourced from suppliers and finished products manufactured by job workers on the basis of our internal quality standards. However, we cannot assure you that our job workers will always adhere to such standards and that our quality control processes will not fail, or the quality tests and

inspections conducted by us will be accurate at all times. Any shortcoming in the raw materials procured by us or in the production of our products due to failure of our quality assurance procedures, negligence, human error or otherwise, may damage our products and result in deficient products. We have, from time to time, exchanged products sold to our customers due to quality defects, or otherwise, in accordance with our exchange and returns policy which is contained in every invoice issued by us.

In the event the quality of our products is not in accordance with our standards or our products are defective, our customers may return our products, or we may be required to recall or exchange such products at an additional cost. Such incidents may impact our reputation, which in turn may adversely affect our business, results of operations and financial condition. We also face the risk of legal proceedings and product liability claims being brought against us by customers, for defective products sold. We cannot assure you that we will not experience any material product liability losses in the future or that we will not incur significant costs to defend any such claims. A product liability claim may adversely affect our reputation and brand image, as well as entail significant costs in defending such claims.

27. 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 currently operate under a single brand, with various sub-brands under which we sell jewellery of particular designs or type. We may launch additional brands in the future in order to effectively market a wider range of our products to our customers. However, we cannot assure you that any new products or sub-brands we launch will be successful or find traction with our customers, or that we will be able to recover costs we incurred in developing such products and brands. If the products and brands that we launch are not as successful as we anticipate, our brand equity may suffer and our business, results of operations and financial condition may be adversely affected. Further, such expanded product offerings place a strain on our management, operational and financial resources, as well as our information systems.

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

Our e-commerce business encounters risks and difficulties frequently experienced by internet-based businesses. The successful operation of our e-commerce business as well as our ability to provide a positive shopping experience that will generate orders and drive subsequent visits to our website/platform depends on efficient and uninterrupted operation of our order-taking and fulfilment operations. Risks associated with our e-commerce business include:

- uncertainties associated with our website, including changes in required technology inter-faces, website downtime, and other technical failures, costs, and technical issues as we upgrade our website software, inadequate system capacity, computer viruses, human error, security breaches, legal claims related to our website operations, and e-commerce fulfilment;
- disruptions in internet service or power outages;
- reliance on third parties for computer hardware and software, as well as delivery of merchandise to our customers;
- rapid technology changes;
- credit or debit card fraud and other payment processing related issues;
- liability for online content;
- cybersecurity and data privacy concerns and regulation; and
- natural disasters or adverse weather conditions.

In addition, we must keep up to date with competitive technology trends, including the use of new or improved technology, creative user interfaces, virtual and augmented reality, and other e-commerce marketing tools such as paid search and mobile apps, among others, which may increase our costs and may not increase sales or attract customers. Our competitors, some of whom have greater resources than we do, may also be able to benefit from changes in e-commerce technologies, which could harm our competitive position. If we are unable to allow real-time and accurate visibility to product availability when customers are ready to purchase, quickly and efficiently fulfil our customers' orders using the fulfilment and payment methods they demand, provide a convenient and consistent experience for our customers regardless of the ultimate sales channel, or effectively manage our online sales, our ability to compete and our results of operations could be adversely affected.

29. Our business is manpower intensive and subject to high attrition. Our business may be adversely affected by work stoppages, increased wage demands by our employees, or increase in minimum wages across various states, and if we are unable to engage new employees at commercially attractive terms.

Our operations are manpower intensive and we are dependent on our showroom managers and sales personnel for a significant portion of our operations. As of January 31, 2022, we had 5,132 employees across various categories, *i.e.*, permanent employees, employees under probation and employees doing their apprenticeship. The success of our operations depends on

availability of and maintaining good relationship with our workforce. Shortage of skilled personnel or disruptions caused by disagreements with employees could have an adverse effect on our business and results of operations. While we have not experienced any major disruptions in our business operations due to disputes or other problems with our work force in the past, there can be no assurance that we will not experience any such disruption in the future. Such disruptions may adversely affect our business and results of operations and may also divert the management's attention and result in increased costs.

Our success also depends on our ability to attract, hire, train and retain skilled sales personnel. In the retail 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 could adversely impact our reputation, business prospects and results of operations. As we expand our network, we will need experienced manpower that has knowledge of the local market and the jewellery industry to operate our showrooms. We have faced increasing competition for management and skilled personnel with significant knowledge and experience in the jewellery sector in India. The attrition rate for our employees for Fiscal 2019, 2020 and 2021 and the six months ended September 30, 2020 and the six months ended September 30, 2021 was 23.00%, 23.00%, 23.00%, 23.00% and 23.00%, respectively. There can be no assurance that attrition rates for our employees, particularly our sales personnel, will not increase.

A significant increase in our 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. We cannot assure you that we will be able to find or hire personnel with the necessary experience or expertise to operate our showrooms in our existing markets or new markets that we are entering into. In the event that we are unable to hire people with the necessary knowledge or the necessary expertise, our business may be severely disrupted, financial condition and results of operations may be adversely affected.

Further, we engage job-workers and contractors for the performance of certain functions, such as manufacture and delivery of our jewellery products. Although the job-workers are not our employees and we are not directly responsible for any wage payments to be made to such job-workers in the event of default by such job-workers, we may have to increase the price of our products to offset such wage increase which in turn may affect our business, results of operations and profitability. Any requirement to fund their wage requirements may have an adverse impact on our results of operations and our financial condition. We may also be subject to increasing manpower costs in India, which would directly impact our employee costs and consequently, our margins.

Further, the minimum wage laws in India may be amended leading to upward revisions in the minimum wages payable in one or more states in which we currently operate or are planning to expand to. We may need to increase compensation and other benefits in order to attract and retain key personnel in the future and that may materially affect our costs and profitability. We cannot assure you that as we continue to grow our business in the future, our employee costs coupled with operating expenses will not significantly increase.

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

Our principal raw material is gold. Our purchase of gold represents the largest component of our expenses, and fluctuations in the price of gold can have an effect on our business, results of operations and financial condition. We also use diamonds, other precious and semi-precious stones, pearls, platinum, silver and other raw materials, including various alloys to create our jewellery, which are also subject to price fluctuations. The supply of gold in the global market consists of a combination of new mine production and existing stocks of bullion and fabricated gold held by governments, public and private financial institutions, industrial organizations and private individuals.

Gold prices may be affected by a number of factors such as industrial and jewellery demand, lending, sales and purchases of gold by government agencies, including central banks, multilateral institutions that hold gold and other proprietary trading, and the sales of recycled gold, levels of gold production, production costs and disruptions in major gold-producing nations. Gold prices may also be affected by factors resulting from how the gold markets are structured, such as non-concurrent trading hours of gold markets and, at times, rapid short-term changes in supply and demand because of speculative trading activities (*Source: Technopak Report*). In our experience, volatility in the price of gold could have a negative effect on customer demand for gold jewellery in the short-term.

While a significant percentage of our raw materials are commodities, attainable through a variety of sources, if the availability of, our access to, or the cost of purchasing certain quality raw materials that we require for our products is adversely affected (for example, due to a decrease in the number of suppliers of such materials, or a reduction in the overall availability of such materials, whether due to a lack of supply, the loss of a supply contract, increased demand from our competitors or fluctuations in world market prices), we may have to pay more for, or be unable to acquire, these raw materials. For instance, diamonds are used in certain of our jewellery and a majority of the world's supply of rough diamonds is controlled by a small number of diamond mining firms. As a result, any decisions made to restrict the supply of rough diamonds by these firms to our suppliers could substantially impair our ability to acquire diamonds at commercially reasonable prices, if at all. In addition, diamond prices are also impacted by prices set by the Diamond Trading Company, import duties and currency fluctuations.

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.

We employ various techniques to hedge our gold inventory to protect us from price fluctuations, including the use of gold metal loans, forward contracts and options, but there can be no assurance that our hedging strategy will adequately protect our results of operations from the effects of fluctuations in the prices of gold either in the short- or long-term. Further, the option to hedge commodity price risk for gold, gems and precious stones in overseas markets is currently not available in light of the restriction imposed by RBI on such hedging, through the 'Hedging of Commodity Price Risk and Freight Risk in Overseas Markets (Reserve Bank) Directions', bearing No.: RBI A.P. (DIR Series) Circular No. 19, dated March 12, 2018. In addition, no established hedging instruments are available for some of the raw materials such as diamonds, that we use in our products. Unavailability of the raw materials we require or an increase in the prices of such raw materials together with an inability to transfer such increased costs to our end-consumers may have a material adverse effect on our business, results of operations and financial condition.

31. Technology failures could disrupt our operations and adversely affect our business operations and financial performance.

IT systems are critical to our ability to manage our retail operations, billing functions, supply chain management and e-commerce sales and in turn, to maximize efficiencies and optimize costs. Our IT systems enable us to coordinate our operations, from planning and new orders and routing, customer delivery, invoicing, customer relationship management and decision support. Our main IT platforms include public cloud infrastructure, to digitally manage assets and optimise our operating costs, and other software applications which are designed to provide capabilities to address customer centric activities in the areas of customer relationship management, promotion management, inventory management, and sales execution.

If we do not allocate and effectively manage the resources necessary to implement and sustain the proper IT infrastructure, we could be subject to transaction errors, processing inefficiencies, customer service disruptions and, in some instances, loss of customers. Challenges relating to the revamping or implementation of new IT structures can also subject us to certain errors, inefficiencies, disruptions and, in some instances, loss of customers. Our IT systems, and the systems of our third party IT service providers may also be vulnerable to a variety of interruptions due to events beyond our control, including, but not limited to, natural disasters, terrorist attacks, telecommunications failures, computer viruses, hackers and other security issues. Although we have security initiatives such as anti-virus software in place to mitigate its risk to these vulnerabilities, such measures may not have been effectively implemented or may not be adequate to ensure that its operations are not disrupted.

32. 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.

33. *We operate in a competitive market and any increase in competition may adversely affect our business and financial condition.*

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 is not currently a major competitor 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 projects. 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, may affect the competitiveness of our products, which may result in a decline in our revenues and profitability.

34. *We are dependent on a number of key personnel, including our Promoter and our senior management, and the loss of or our inability to attract or retain such persons could adversely affect our business, results of operations and financial condition.*

We are highly dependent on our Promoter, Alukkas Varghese Joy, our directors, senior management and other key personnel for setting our strategic business direction and managing our business. Our Promoter has been involved in the jewellery business in India and abroad for over three decades and has been responsible for the growth of our business and is actively involved in the overall strategy, direction and management of our business. Our ability to meet continued success and future business challenges depends on our ability to attract, recruit and retain experienced, talented and skilled professionals. Due to the current limited pool of skilled personnel, competition for senior management, commercial and finance professionals in our industry is intense. The loss of services of our directors, senior management or other key personnel or our inability to recruit or train a sufficient number of experienced personnel or our inability to manage the attrition levels in different employee categories may have an adverse effect on the Company's financial results and business prospects.

35. *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. Furthermore, the contract manufacturers with whom we work to manufacture our jewellery could seek to organise. 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. A potential increase in the salary scale of our employees or amounts paid to our contract manufacturers as a result of organisation or unrest, or a disruption in services from our employees or contract manufacturers due to potential strikes, could adversely affect our business operations and financial condition.

36. *Our business is subject to seasonality. Lower revenues in the festive period of any Fiscal may adversely affect our business, financial condition, results of operations and prospects.*

We are impacted by seasonal variations in sales volumes, which may cause our revenues to vary significantly between different quarters in a fiscal year. Typically, we see an increase in our business before Diwali, during the wedding season, and during end of season sales. Therefore, our results of operations and cash flows across quarters in a Fiscal may not be comparable and any such comparisons may not be meaningful or may not be indicative of our annual financial results or our results in any future quarters or periods.

37. *We may fail to protect our jewellery designs.*

We change our jewellery designs on a regular basis and do not register such designs under the Design Act, 2000. As such, it would be difficult for us to enforce our intellectual property rights in our designs. If our competitors replicate our product designs available on our website or designs given to third-party contractors, it could lead to a loss of revenue, which could adversely affect our results of operations and financial condition. Further, we manufacture through our network of contract manufacturers where we provide raw material and designs to such contractors. While we supervise and have limited control over the entire manufacturing process, the contract manufacturers could make the same or similar jewellery for other parties, including our competitors. If our contract manufacturers produce the same or similar jewellery for our competitors, our customers may no longer purchase our jewellery or look to our competitors for similar jewellery, which could negatively impact our results operations and financial condition. Additionally, designs developed by us may inadvertently infringe on the intellectual property rights of third parties, which may expose us to legal proceedings. Thus, we are susceptible to litigation for infringement of intellectual property rights in relation to such designs. This could materially and adversely affect our reputation, results of operations and financial condition.

38. *We have received certain inquiries involving our gold schemes, any adverse outcome of which may adversely affect us and/or our Promoter and Directors under applicable laws.*

We offer various purchase advance schemes from time to time, such as our Easy Gold Purchase Scheme. Through this scheme, customers can make monthly instalments over a period of up to 10 months, to purchase jewellery within such period as specified in the scheme. Instalment payments made for our purchase advance schemes are not refundable in cash but can be used as credits at our showrooms and may be appropriated towards the purchase of our jewellery. We may also issue gold coins against the consolidated value of the instalments depending on the term of the scheme.

We along with our Promoter, Alukkas Varghese Joy have faced a regulatory action in relation to such schemes in the past. The DoE, Cochin has issued summons to us and our Promoter under FEMA, 1999 and filed a complaint alleging that we accept foreign exchange from non-resident Indians and issue gift vouchers with which gold ornaments can be purchased in India. The Office of Joint Director, DoE, Cochin pursuant to its order dated September 24, 2014, dropped the proceedings under Section 3(c) of the FEMA, 1999 and imposed penalties amounting to ₹0.75 million and ₹0.10 million against us and our Promoter respectively. The penalties have been duly paid by us and our Promoter and the matter has been closed. We cannot assure you that we will not face any regulatory action in relation to such schemes in the future. Any adverse regulatory or legislative view in respect of such schemes may result in fines, proceedings or actions being undertaken against us, and our Directors and/or other officers in default for breach of Sections 73 to 76 of the Companies Act and the Companies (Acceptance of Deposits) Rules, 2014, as amended. Any such adverse regulatory views and consequential actions that we may be required to undertake, may be time consuming and may adversely impact our profitability, results of operations and future prospects.

The Consumers Guidance Society on May 7, 2019 filed a complaint before SEBI and the Ministry of Corporate Affairs, in Chennai, Tamil Nadu against certain jewellery companies, including us, alleging that designing and implementation of collective investment schemes and mobilising deposits thereunder violates the Companies Act and rules thereunder, with respect to acceptance of deposits and the SEBI Act and regulations thereunder. Further, the Consumers Guidance Society sought an inquiry into such matter and pursuant to various correspondences with RoC, we furnished the details of the gold purchase scheme and a report on 'Easy Gold Purchase Scheme' and there has been no further communication from the authorities in relation to this matter. For further information, see "*Outstanding Litigation and Other Material Developments*" on page 284.

39. *We may be unable to manage our growth.*

As a result of growth in our operations, our business and organization have become, and are expected to continue to become, considerably more complex. This requires us to adapt continuously to meet the needs of our growing business and could expose us to a number of factors which may negatively impact our business, financial condition and results of operations. While we have built information technology, governance frameworks and operational management systems to manage our business operations and to support our future growth at both the showroom and corporate level, in the future in particular, our success will depend on our ability to adapt continuously to meet the needs of our growing business and could expose us to a number of factors which may negatively impact our business, financial condition and results of operations. Our success will also depend on our ability to:

- maintain and develop a consistent and strong brand identity and further develop our brand strength across a growing organization and increasing number of markets, especially in light of the decentralised nature of our business and across expanding and new products.
- ensure safe movement and storage of high-value inventory;
- source, at appropriate prices, the amount of raw materials required for increased production;
- attract and retain experienced, high quality management and other key employees;

- identify potential new markets and suitable locations for our showrooms as well as obtaining leases for our new showrooms on commercially attractive terms;
- respond to increasing competition from competitors in the existing markets we cover as well as new markets we may enter in the future; and
- respond to regional preferences in jewellery and changing customer demands.

We may not be able to adequately respond to any of the foregoing factors or otherwise manage our significant growth.

40. We have had negative cash flows from operating activities in Fiscal 2020 and may, in the future, experience similar negative cash flows.

We have experienced negative cash flows from operating activities in Fiscal 2020 and may, in the future, experience negative cash flows.

The following table sets forth certain information relating to our cash flows for the periods indicated below:

Particulars	Fiscal			Six Months ended September 30,	
	2019	2020	2021	2020	2021
	(₹ million)				
Net cash flow (used in) / from operating activities	2,388.72	(339.14)	3,308.86	1,373.37	250.07

For further information, see “Financial Statements” on page 182.

Negative cash flows over extended periods, or significant negative cash flows in the short term, could materially impact our ability to operate our business and implement our growth plans. As a result, our business, financial condition and results of operations could be materially and adversely affected.

41. Our insurance cover may not be adequate, or we may incur uninsured losses or losses in excess of our insurance coverage.

Our insurance policies currently cover our precious jewellery items and cash in showrooms, transit, theft and while being handled by our employees, including with respect to fire and special perils. Notwithstanding the insurance coverage that we carry, we may not be fully insured against certain business risks. 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. There can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part, or on time. To the extent that we suffer any loss or damage that is not covered by insurance or exceeds our insurance coverage, our business, financial condition and results of operations could be adversely affected.

We could face liabilities or otherwise suffer losses should any unforeseen incident such as fire, flood, and accidents affect our showrooms or in the regions/areas where our showrooms are located. Although we maintain insurance coverage such as fire policy, burglary policy for the stocks, assets and computers of the showrooms and the Registered Office, marine cargo policy, machinery breakdown policy for air conditioners, generators and other equipment, electronic equipment policy, retail insurance policy, jewellers block policy and insurance for our employees, there are possible losses, which we may not have insured against or covered or wherein the insurance cover in relation to the same may not be adequate. We may face losses in the absence of insurance and even in cases in which any such loss may be insured, we may not be able to recover the entire claim from insurance companies. Any damage suffered by us in excess of such limited coverage amounts, or in respect of uninsured events, not covered by such insurance policies will have to be borne by us. As of March 31, 2019, 2020 and 2021, and the six months ended September 30, 2020 and September 30, 2021, the aggregate coverage of the insurance policies obtained by us was ₹ 33,980.87 million, ₹ 39,670.09 million, ₹ 46,136.42 million, ₹ 46,136.42 million and ₹ 50,857.02 million, which constituted 106.61%, 103.48%, 109.76%, 127.57% and 107.29% of our total assets, respectively.

While we believe that we have obtained insurance against losses which are most likely to occur in our line of business, there may be certain losses which may not be covered by the Company, which we have not ascertained as at date. Further, while there has been no past instance of inadequate insurance coverage for any loss, we cannot assure that we will continue to accurately ascertain and maintain adequate insurance for losses that may be incurred in the future. For further information on the insurance policies availed by us, see “Our Business - Insurance” on page 145.

42. Our Statutory Auditors have included certain emphasis of matters in our Restated Financial Information.

Our Statutory Auditors have included certain emphasis of matters in our Restated Financial Information:

As of and for the six months ended September 30, 2021

“We draw attention to the following matter in the Notes to the Special Purpose Interim Financial Statements

Note 29(ii) to the Special Purpose Interim financial statements which states that income voluntarily offered for the assessment years from 2009-2010 to 2018-2019 consequent to search proceedings under section 132 of the Income Tax Act 1961. The company has made provision for taxation including interest in above respect in the earlier years. As stated, in the note any additional income tax, interest liability and other charges cannot be determined until the proceedings are complete.”

As of and for the six months ended September 30, 2020

“We draw attention to the following matter in the Notes to the Special Purpose Interim Financial Statements

Note 30(ii) to the Special Purpose Interim financial statements which states that income voluntarily offered for the assessment years from 2009-2010 to 2018-2019 consequent to search proceedings under section 132 of the Income Tax Act 1961. The company has made provision for taxation including interest in above respect in the earlier years. As stated, in the note any additional income tax, interest liability and other charges cannot be determined until the proceedings are complete.”

As of and for the year ended March 31, 2021

“We draw attention to the following notes to the financial statements:

- (i) Note 30(ii) to the financial statements which states that income voluntarily offered for the assessment years from 2009-2010 to 2018-2019 consequent to search proceedings under section 132 of the Income Tax Act 1961. The company has made provision for taxation including interest in above respect in the earlier years. As stated, in the note any additional income tax, interest liability and other charges cannot be determined until the proceedings are complete.*
- (ii) Note 39 to the financial statements which states that the management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the year ended March 31, 2021 and has concluded that there is no impact which is required to be recognized in the financial statements. Accordingly, no adjustments have been made to the financial statements.”*

As of and for the year ended March 31, 2020

“We draw attention to the following notes to the financial statements:

- (i) Note 30(ii) to the financial statements which states that income voluntarily offered for the assessment years from 2009-2010 to 2018-2019 consequent to search proceedings under section 132 of the Income Tax Act 1961. The company has made provision for taxation including interest in above respect. As stated therein in the note the Company's Settlement Petition has been admitted by the Income tax Settlement Commission by their order dated January 13, 2020 and further proceedings for final determination of the tax liability for the above years is pending.*
- (ii) Note 38 to the financial statements which states that the management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the year ended March 31, 2020 and has concluded that there is no impact which is required to be recognized in the financial statements. Accordingly, no adjustments have been made to the financial statements.”*

The opinion of our Statutory Auditors is not modified in respect of these matters. While these emphasis of matters do not require any adjustments to the Restated Financial Information, there is no assurance that our audit reports for any future fiscal periods will not contain qualifications, matters of emphasis or other observations which could subject us to additional liabilities due to which our reputation and financial condition may be adversely affected. For further information, see “Financial Statements” on page 182.

43. Our Statutory Auditors have included certain observations in our Restated Financial Information as required under the Companies (Auditors Report) Order, 2016.

Our Statutory Auditors have included certain observations for Fiscal 2019, 2020 and 2021 in their reporting under the Company (Auditor's Report) Order, 2016. These observations include statutory dues which have not been deposited on account of any disputes. For details, see “Restated Financial Information – Note 37” on page 237.

44. *Our Promoter, Directors or key management personnel have interests in our Company, other than reimbursement of expenses incurred or normal remuneration or benefits.*

Certain of our Directors (including our Promoter) are interested in our Company, in addition to the regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding or the shareholding of their relatives in our Company. Our Promoter is interested in our Company to the extent that he is the promoter of our Company and to the extent of his shareholding in our Company and dividend payable, if any, and other distributions in respect of the Equity Shares held by our Promoter. For further information, see “*Our Promoter and Promoter Group – Interests of our Promoter*” on page 173. Also see “*Our Management - Appointment of relatives of our Directors to any office or place of profit*” and “*Our Management - Interests of Directors*” on pages 161 and 161, respectively. For further details, also see “*Capital Structure*” on page 67.

45. *Failures in internal control systems could cause operational errors which may have an adverse impact on our profitability.*

We are responsible for establishing and maintaining adequate internal measures commensurate with the size and complexity of operations. Internal control systems comprising policies and procedures are designed to ensure sound management of our operations, safekeeping of our assets, optimal utilization of resources, reliability of our financial information and compliance. The systems and procedures are periodically reviewed and routinely tested and cover all functions and business areas.

While we believe that we have adequate controls, we are exposed to operational risks arising from the potential inadequacy or failure of internal processes or systems, and our actions may not be sufficient to guarantee effective internal controls in all circumstances. Given the size of our operations, it is possible that errors may repeat or compound before they are discovered and rectified. Our management information systems and internal control procedures that are designed to monitor our operations and overall compliance may not identify every instance of non-compliance or every suspicious transaction. If internal control weaknesses are identified, our actions may not be sufficient to correct such internal control weakness. Our Statutory Auditors have in the past made certain observations and recommendations regarding the adequacy of our IT systems relating to our business operations and internal control and reporting procedures. While we are in the process of implementing such recommendations, we cannot assure you that our existing IT systems, internal control and financial reporting procedures are adequate or that lack of adequate systems and controls will not impact our operations, business prospects, or future financial performance. For details see, “- *Technology failures could disrupt our operations and adversely affect our business operations and financial performance.*” on page 38.

46. *Our Company may not be able to pay dividends in the future. Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements and capital expenditures and the terms of our financing arrangements.*

Our Company has not declared and paid dividends in the past. Any dividends to be declared and paid in the future are required to be recommended by our Board of Directors and approved by our Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. Our Company’s ability to pay dividends in the future will depend on a number of internal and external factors, which, *inter alia*, include (i) profits earned by our Company, (ii) present and future capital requirements, (iii) overall financial position of our Company, and (iv) uncertainty in economic conditions. We cannot assure you that we will generate sufficient revenues to cover our operating expenses and, as such, pay dividends to our Shareholders in future consistent with our past practices, or at all. For details pertaining to our dividend policy, see “*Dividend Policy*” on page 181.

47. *We have in this Draft Red Herring Prospectus included certain non-GAAP financial measures and certain other industry measures related to our operations and financial performance. These non-GAAP measures and industry measures may vary from any standard methodology that is applicable across the Indian jewellery industry, and therefore may not be comparable with financial or industry related statistical information of similar nomenclature computed and presented by other companies.*

Certain non-GAAP financial measures and certain other industry measures relating to our operations and financial performance have been included in this Draft Red Herring Prospectus. We compute and disclose such non-GAAP financial measures and such other industry related statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of Indian jewellery retail industry, many of which provide such non-GAAP financial measures and other industry related statistical and operational information. Such supplemental financial and operational information is therefore of limited utility as an analytical tool, and investors are cautioned against considering such information either in isolation or as a substitute for an analysis of our audited financial statements as reported under applicable accounting standards disclosed elsewhere in this Draft Red Herring Prospectus.

These non-GAAP financial measures and such other industry related statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and industry related statistical information of similar nomenclature that may be computed and presented by other companies. For further information, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Non-GAAP Measures*” on page 259.

48. We have certain contingent liabilities that have not been provided for in our financial statements, which if they materialize, may adversely affect our financial condition.

As of September 30, 2021, our contingent liabilities that have not been accounted for in the Restated Financial Information, were as follows:

Particulars	Amount (₹ million)
Contingent Liabilities and Commitments	
Claims against the Company not acknowledged as debts	
- On sales tax and entry tax related matters	1,031.14
- On service tax related matters	1.94
- On Customs duty related matters	2.20
- On income tax related matters	104.30
Total	1,139.58

If a significant portion of these liabilities materialize, it could have an adverse effect on our business, financial condition and results of operations. For further information, see “*Financial Statements*” on page 182.

49. We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders.

We have entered into transactions with related parties in the past and from, time to time, we may enter into related party transactions in the future. These transactions principally include remuneration to executive Directors and Key Managerial Personnel, sale and purchase of goods and rent expense and income. For further information relating to our related party transactions, see “*Restated Financial Information – Related party disclosure*” on page 235. All such transactions have been conducted on an arm’s length basis and in compliance with Companies Act, we cannot assure you that we might not have obtained more favourable terms had such transactions been entered into with unrelated parties.

While we shall endeavour to conduct all related party transactions post listing of the Equity Shares subject to the Board’s or Shareholders’ approval, as applicable, and in compliance with the applicable accounting standards, provisions of Companies Act, the SEBI Listing Regulations and other applicable law, such related party transactions may potentially involve conflicts of interest. The Company will endeavour to duly address such conflicts of interest as and when they may arise. We cannot assure you that these arrangements in the future, or any future related party transactions that we may enter into, individually or in the aggregate, will not have an adverse effect on our business, financial condition, results of operations, cash flows and prospects or may potentially involve any conflict of interest.

In Fiscals 2019, 2020 and 2021 and in the six months ended September 30, 2020 and September 30, 2021, the aggregate amount of such related party transactions was ₹ 357.85 million, ₹ 436.95 million, ₹ 286.13 million, ₹ 81.11 million and ₹ 111.79 million, respectively. The percentage of the aggregate value of such related party transactions to our revenue from operations in Fiscals 2019, 2020 and 2021 and in the six months ended September 30, 2020 and September 30, 2021 was 0.44%, 0.54%, 0.35%, 0.38% and 0.27%, respectively. For further information on our related party transactions, see “*Issue Document Summary – Related Party Transactions*” and “*Other Financial Information – Related Party Transactions*” on pages 13 and 245, respectively.

50. Our Promoter will continue to collectively hold substantial shareholding in our Company and will continue to exercise significant influence over us after completion of the Issue.

As on the date of this Draft Red Herring Prospectus, our Promoter held 99.98% of the Equity Share capital of our Company. For details of his shareholding pre and post Issue, see, “*Capital Structure*” on page 67. After the completion of the Issue, our Promoter along with the Promoter Group will continue to collectively hold substantial shareholding in our Company, and will continue to exercise significant influence over our business policies and affairs and all matters requiring Shareholders’ approval, including the composition of our Board, the adoption of amendments to our certificate of incorporation, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditures. This concentration of ownership also may delay, defer or even prevent a change

in control of our Company and may make some transactions more difficult or impossible without the support of these stockholders. 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 the hands of our Promoter. For further information in relation to the interests of our Promoter in the Company, see “*Our Promoter and Promoter Group*”, “*Our Management*” and “*Financial Statements*” on pages 173, 156 and 182, respectively.

51. Any variation in the utilisation of the Net Proceeds from the Issue as disclosed in this Draft Red Herring Prospectus shall be subject to certain compliance requirements, including prior Shareholders’ approval.

We propose to utilize the Net Proceeds towards the following (i) repayment/prepayment of our loans; (ii) financing the opening of eight new showrooms; and (iii) general corporate purposes. For further details of the proposed objects of the Issue, please see the section “*Objects of the Issue*” on page 75. We cannot currently determine with any certainty if we would require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of competitive environment, business conditions, economic conditions or other factors beyond our control. In accordance with the Companies Act and the SEBI ICDR Regulations, we cannot undertake any variation in the utilisation of the Net Proceeds from the Issue as disclosed in this Draft Red Herring Prospectus 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, we may not be able to obtain the Shareholders’ approval in a timely manner, or at all. Any delay or inability in obtaining such Shareholders’ approval may adversely affect our business or operations.

Further, our Promoter would be required to provide an exit opportunity to the Shareholders who do not agree with our proposal to modify the objects of the Issue, at a price and manner as prescribed by the SEBI. Additionally, the requirement on our Promoter, to provide an exit opportunity to such dissenting shareholders may deter our Promoter from agreeing to the variation of the proposed utilisation of the Net Proceeds, even if such variation is in the interest of our Company. Further, we cannot assure you that our Promoter will have adequate resources at their disposal at all times to enable him to provide an exit opportunity.

In light of these factors, we may not be able to undertake variation of objects of the Issue to use any unutilized proceeds of the Issue, if any, even if such variation is in the interest of our Company. This may restrict our Company’s ability to respond to any change in our business or financial condition by re-deploying the unutilized portion of Issue proceeds, if any, which may adversely affect our business and results of operations.

52. Delay in schedule of implementation may subject our Company to risks related to time and cost overrun which may have a material adverse effect on our business, results of operations and financial condition.

As part of the objects of the Issue, our Company is undertaking opening of new showrooms. For further details, see the “*Objects of the Issue*” on page 75. We may face risks such as *inter alia* delays to construction timetables of such showrooms, failure to construct such new showrooms within our estimated budget, failure of our contractors and suppliers to adhere to our specifications and timelines, and changes in the general economic and financial conditions in India. We have limited control over the timing and quality of services, equipment or other supplies from third party contractor and/or consultants appointed by us, and we may be required to incur additional unanticipated costs to remedy any defect or default in their services or products to ensure that the planned timelines are adhered to. Further, costs as well as our staffing requirements and employee expenses may increase, and we may face challenges in extending our financial and other controls and managing our consequent growth. In the event that the risks and uncertainties discussed above or any other unanticipated risks, uncertainties, contingencies or other events or circumstances limit or delay our efforts to use the Net Proceeds to achieve the planned growth in our business, the use of the Net Proceeds for purposes identified by our management may not result in actual growth of our business, increased profitability or an increase in the value of your investment in our Equity Shares.

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

We intend to use the Net Proceeds for (i) repayment/prepayment of our loans; (ii) financing the opening of eight new showrooms; and (iii) general corporate purposes. The deployment of the Net Proceeds, subject to applicable law, is based entirely on the discretion of our management and on management estimates, current circumstances of our business and prevailing market conditions and has not been appraised by any bank, financial institution or other independent institution. Inventory costs for the eight new showrooms which will be financed from the Net Proceeds, are based on internal estimates of the quantity of gold, diamond and other precious jewellery products required for commencing sales from the new showrooms and the value of such products. We typically stock our showrooms with sufficient inventory comprising of gold, diamond and other precious jewellery products that include silver and pearls. As per our internal estimates, the minimum cost of inventory per showroom ranges from ₹497.50 million to ₹684.00 million, based on the size and location of the showroom. Such internal cost estimates may not be accurate and may be subject to change depending on the price of such products at the time of purchase and other factors and actual amounts may differ materially from those estimated and included in this Draft Red Herring Prospectus. 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 and strategy considerations and 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 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. Further, we will be appointing a monitoring agency for monitoring the utilisation of Net Proceeds in accordance with Regulation 41 of the SEBI ICDR Regulations and the monitoring agency will submit its report to us on a quarterly basis till the entire Net Proceeds have been utilized, in accordance with the SEBI ICDR Regulations and other applicable law. The application of the Net Proceeds in our business may not lead to an increase in the value of your investment. For details see, “*Objects of the Issue*” on page 75.

54. If we are unable to raise additional capital, our business prospects could be adversely affected.

We intend to fund our growth and expansion plans through our cash on hand and cash flow from operations. We will continue to incur significant expenditure in maintaining and growing our existing showroom network. We cannot assure you that we will have sufficient capital resources for our current operations or any future expansion plans that we may have. While we expect our cash on hand and cash flow from operations to be adequate to fund our existing commitments, our ability to incur any future borrowings is dependent upon the success of our operations. Also see, “ – *We have incurred indebtedness, and an inability to comply with repayment and other covenants in our financing agreements could adversely affect our business and financial condition.*” on page 30. Our ability to arrange financing and the costs of capital of such financing are dependent on several factors, including our credit ratings, general economic and capital market conditions, credit availability from banks, investor confidence, the continued success of our operations and regulatory framework that allows us to raise capital. Our various debt facilities have been rated by ICRA. Our credit rating reflects, amongst other things, the rating agency’s opinion of our financial strength, operating performance, strategic position, and ability to meet our obligations. Our inability to obtain such credit rating in a timely manner or any non-availability of credit ratings, or poor ratings, or any downgrade in our ratings may increase borrowing costs in the future and constrain our access to capital and lending markets and, as a result, could adversely affect our business and results of operations, and the price of our Equity Shares. In addition, non-availability of credit ratings could increase the possibility of additional terms and conditions being added to any new or replacement financing arrangements. If we decide to meet our capital requirements through debt financing, we may be subject to certain restrictive covenants. If we are unable to raise adequate capital in a timely manner and on acceptable terms, or at all, our business, results of operations, cash flows and financial condition could be adversely affected.

55. Industry information included in this Draft Red Herring Prospectus has been derived from a third party industry report, exclusively commissioned and paid for by us.

We have used the report titled “*Industry Report on Jewellery Retail in India*” dated March 21, 2022 by Technopak appointed on September 30, 2021, for purposes of inclusion of such information in this Draft Red Herring Prospectus, and exclusively commissioned by our Company for purposes of inclusion of such information in the Issue documents at an agreed fees to be paid by our Company. The report is a paid report and is subject to various limitations and based upon certain assumptions that are subjective in nature. Although we assume responsibility for the contents of the Technopak Report and believe that the data may be considered to be reliable, the accuracy, completeness and underlying assumptions are not guaranteed, and dependability cannot be assured. Given the scope and extent of the Technopak Report, disclosures are limited to certain excerpts and the Technopak Report has not been reproduced in its entirety in this Draft Red Herring Prospectus. Further, there is no assurance that such information is stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. In addition, statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Draft Red Herring Prospectus. Also see, “*Certain Conventions, Presentation of Financial, Industry and Market Data – Industry and Market Data*” on page 16.

56. We have relied on provisional documentary evidence for certain details in relation to our Director and Key Managerial Personnel included in “Our Management”, in this Draft Red Herring Prospectus.

We have relied on provisional documentary evidence in relation to certain education qualifications of Pushpy B. Muricken and Hentry George Kannai included in “*Our Management*” on page 156. The details included in this section are based on the details provided by the Directors and Key Managerial Personnel. We and the BRLMs have been unable to independently verify these details prior to inclusion in this Draft Red Herring Prospectus. Further, there can be no assurances that our Director and Key Managerial Personnel will be able to obtain the relevant documentary evidence pertaining to their educational qualifications in future, or at all.

57. We face foreign exchange risks that could adversely affect our results of operations and cash flows.

We have foreign currency payables for supply of certain raw materials, and products, and are therefore, exposed to foreign exchange risk between the Indian Rupee and U.S. dollars and other foreign currencies. Any significant fluctuation in the value

of the Indian Rupee against such currencies including as noticed recently in the case of the US Dollar, may adversely affect our results of operations. Any appreciation of foreign currencies against the Indian Rupee may result in reduction of our margins and consequently have an adverse effect on business and result of operations. The rate of gold is also related to foreign exchange fluctuations, and accordingly, our cost of raw materials may increase on account of such fluctuation.

58. Our operations may involve certain transactions in or with countries or persons that are subject to U.S. and other sanctions.

U.S. law generally prohibits U.S. persons from directly or indirectly investing or otherwise doing business in or with certain countries that are the subject of comprehensive sanctions and with certain persons or businesses that have been specially designated by the OFAC or other U.S. government agencies. Other governments and international or regional organizations also administer similar economic sanctions. Although we believe we have compliance systems in place that are sufficient to block prohibited transactions, there can be no assurance that we will be able to fully monitor all of our transactions for any potential violation. We may enter into transactions with suppliers or logistics providers who may be doing business with countries to which certain OFAC-administered and other sanctions apply. There can be no assurance that we will be able to fully monitor all of our transactions for any potential violation. If it were determined that transactions in which we participate violate U.S. or other sanctions, we could be subject to U.S. or other penalties, and our reputation and future business prospects in the United States or with U.S. persons, or in other jurisdictions, could be adversely affected. We rely on our staff to be up-to-date and aware of the latest sanctions in place. Further, investors in the Equity Shares could incur reputational or other risks as the result of our customers' dealings in or with countries or with persons that are the subject of U.S. sanctions.

External Risk Factors

Risks Relating to India

59. Political, economic or other factors that are beyond our control may have an adverse effect on our business and results of operations.

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located elsewhere, including India. Adverse economic developments, such as rising fiscal or trade deficit, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares.

We are dependent on domestic, regional and global economic and market conditions, where some of our revenue from operations is generated. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of India. Demand for our jewellery products may be adversely affected by an economic downturn in domestic, regional and global economies. Economic growth in the countries in which we operate is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports, global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production. Consequently, any future slowdown in the Indian economy could harm our business, results of operations and financial condition. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

60. Natural or man-made 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 and man-made disasters, including 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 or countries to who we sell our jewellery products could have a negative effect on us. Further, the ongoing Russia-Ukraine conflict may also have adverse impact on our supply chain. However, the long term risks associated with the conflict is not clear as of the date of this Draft Red Herring Prospectus. 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. A worsening of the current outbreak of COVID-19 pandemic or future outbreaks of COVID-19 virus or a similar contagious disease could adversely affect the global economy and economic activity in the region. As a result, any present or future outbreak of a contagious disease could have a material adverse effect on our business and the trading price of the Equity Shares.

61. Changing regulations in India could lead to new compliance requirements that are uncertain.

The regulatory environment in which we operate is evolving and is subject to change. The GoI may implement new laws or other regulations that could affect the jewellery industry, which could lead to new compliance requirements. New compliance requirements could increase our costs or otherwise adversely affect our business, financial condition and results of operations. Further, the manner in which new requirements will be enforced or interpreted can lead to uncertainty in our operations and could adversely affect our operations. For instance, the RBI has permitted nominated banks to import gold for purposes of extending gold metal loans to domestic jewellery manufacturers subject to certain conditions, including that the tenor of the gold loans (which can be decided by the nominated banks) does not exceed 180 days from the date of procurement of gold and the interest charged to the borrowers is linked to the international gold rates. Accordingly, any adverse regulatory change in this regard could lead to fluctuation of prices of raw materials and thereby increase our operational cost.

Additionally, our gold metal loans are subject to specific conditions imposed by the Ministry of Commerce and Industry, GoI and the RBI. In the event of any adverse regulatory development or in the event that we are otherwise not able to secure such gold loans, we may not be able to benefit from such low interest rates or the ability to fix the price within the specified time frame at the same price at which we sell gold jewellery to our customers. Further, the RBI by way of its notification dated April 2, 2014 had prescribed, among other things, additional credibility requirements for manufacturers utilizing gold metal loans.

The Taxation Laws (Amendment) Act, 2019, also prescribes certain changes to the income tax rate applicable to companies in India. According to this Act, companies can henceforth voluntarily opt in favour of a concessional tax regime (subject to no other special benefits/exemptions being claimed), which would ultimately reduce the effective tax rate (on gross basis) for Indian companies from 34.94% to approximately 25.17%. Any such future amendments may affect our ability to claim exemptions that we have historically benefited from, and such exemptions may no longer be available to us. Any adverse order passed by the appellate authorities/ tribunals/ courts would have an effect on our profitability. Due to COVID -19 pandemic, the GoI had also passed the Taxation and Other Laws (Relaxation of Certain Provisions) Act, 2020, implementing relaxations from certain requirements under, amongst others, the Central Goods and Service Tax Act, 2017 and Customs Tariff Act, 1975.

In addition, we are subject to tax related inquiries and claims. We may be particularly affected by claims from tax authorities on account of income tax assessment and GST that combines taxes and levies by the central and state governments into one unified rate of interest with effect from July 1, 2017. For example, as of July 1, 2017, a national GST, in India replaced taxes levied by central and state governments with a unified tax regime in respect of the supply of goods and services for all of India, which resulted in changes to India's jewellery industry. Currently, the GST rate for jewellery is 3%, but it could be subject to change going forward. Any such changes to the GST rate or rules and regulations surrounding GST and the related uncertainties with respect to the implementation of GST may have a material adverse effect on our business, financial condition and results of operations.

Further, as GST is implemented, there can be no assurance that we will not be required to comply with additional procedures or obtain additional approvals and licenses from the government and other regulatory bodies or that they will not impose onerous requirements and conditions on our operations. With the implementation of GST, we are obligated to pass on any benefits accruing to us as result of the transition to GST to the consumer thereby limiting our benefits. In order for us to utilise input credit under GST, the entire value chain has to be GST compliant, including us. While we are and will continue to adhere to the GST rules and regulations, there can be no assurance that our suppliers and dealers will do so. Any such failure may result in increased cost on account of non-compliance with the GST and may adversely affect our business and results of operations.

1. The Government of India has announced the union budget for the Fiscal 2022, pursuant to which the Finance Bill, 2021 (“**Finance Bill**”) has introduced various amendments. The Finance Bill has received assent from the President of India on March 28, 2021, and has been enacted as the Finance Act, 2021 (“**Finance Act, 2021**”). There is no certainty on the impact that the Finance Act 2021 may have on our business and operations or on the industry in which we operate. In addition, unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs relating to compliance with such new

requirements, which may also require management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. 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 affect the viability of our current business or restrict our ability to grow our business in the future.

The Government of India has passed new laws relating to social security, occupational safety, industrial relations and wages namely, the Code on Social Security, 2020, the Occupational Safety, Health and Working Conditions Code, 2020, the Industrial Relations Code, 2020 and the Code on Wages, 2019, respectively which were to take effect from April 1, 2021 (collectively, the “**Labour Codes**”). The Government of India has deferred the effective date of the Labour Codes and they shall come into force from such date as may be notified by the Government. Further, the Code on Social Security, 2020 (“**Social Security Code**”) will impact overall employee expenses and, in turn, could impact the profitability of our Company. Under the Social Security Code, a new concept of deemed remuneration has been introduced, such that where an employee receives more than half (or such other percentage as may be notified by the Central Government), of their total remuneration in the form of allowances and other amounts that are not included within the definition of wages under the Social Security Code, the excess amount received shall be deemed as remuneration and accordingly be added to wages for the purposes of the Social Security Code and the compulsory contribution to be made towards the employees’ provident fund. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. 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 businesses or restrict our ability to grow our businesses in the future.

62. 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. 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 favourable terms or at all, and consequently adversely affect our business and financial performance and the price of the Equity Shares.

63. 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:

- the macroeconomic climate, including any increase in Indian interest rates or inflation;
- any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- any scarcity of credit or other financing in India, resulting in an adverse effect on economic conditions in India and scarcity of financing for our expansions;
- prevailing income conditions among Indian customers and Indian corporations;
- epidemic, pandemic or any other public health in India or in countries in the region or globally, including in India’s various neighbouring countries;
- volatility in, and actual or perceived trends in trading activity on, India’s principal stock exchanges;
- changes in India’s tax, trade, fiscal or monetary policies;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India’s various neighbouring countries;
- occurrence of natural or man-made disasters;
- prevailing regional or global economic conditions, including in India’s principal export markets;
- other significant regulatory or economic developments in or affecting India or its consumption sector;
- international business practices that may conflict with other customs or legal requirements to which we are subject, including anti-bribery and anti-corruption laws;

- protectionist and other adverse public policies, including local content requirements, import/export tariffs, increased regulations or capital investment requirements;
- logistical and communications challenges;
- difficulty in developing any necessary partnerships with local businesses on commercially acceptable terms or on a timely basis; and
- being subject to the jurisdiction of foreign courts, including uncertainty of judicial processes and difficulty enforcing contractual agreements or judgments in foreign legal systems or incurring additional costs to do so.

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

64. 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, 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. Further, economic developments globally can have a significant impact on our principal markets. 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 including trade agreements between the United Kingdom and 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. 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 stabilising 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.

65. If inflation were to rise in India, we might not be able to increase the prices of our products at a proportional rate in order to pass costs on to our customers thereby reducing our margins.

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of wages, costs of rent and other expenses relevant to our business.

High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to adequately pass on to our customers, whether entirely or in part, and may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or increase the price of our products to pass the increase in costs on to our customers. In such case, our business, results of operations, cash flows and financial condition may be adversely affected.

Further, the GoI has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

66. A third-party could be prevented from acquiring control of us post this Issue, because of anti-takeover provisions under Indian law.

As a listed Indian entity, there are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company. Under the Takeover Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company subsequent to completion of the Issue. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to our shareholders, such a takeover may not be attempted or consummated because of Takeover Regulations.

67. Investors may not be able to enforce a judgment of a foreign court against us, our Directors, the BRLMs or any of their directors and executive officers in India respectively, except by way of a lawsuit in India.

Our Company is a company incorporated under the laws of India and a majority of our Directors are located in India. A majority of our assets, our Key Managerial Personnel and officers are also located in India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons in jurisdictions outside India, or to enforce judgments obtained against such parties outside India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court was of the view that the amount of damages awarded was excessive or inconsistent with public policy, or if judgments are in breach or contrary to Indian law. In addition, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to execute such a judgment or to repatriate outside India any amounts recovered.

Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908 (“CPC”). India is not party to any international treaty in relation to the recognition or enforcement of foreign judgments. India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, such as the United Kingdom, United Arab Emirates, Singapore and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements established in the Indian CPC. The CPC only permits the enforcement and execution of monetary decrees in the reciprocating jurisdiction, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India, including the United States, cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be directly enforceable in India. The party in whose favour a final foreign judgment in a non-reciprocating territory is rendered may bring a fresh suit in a competent court in India based on the final judgment within three years of obtaining such final judgment. However, it is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India or that an Indian court would enforce foreign judgments if it viewed the amount of damages as excessive or inconsistent with the public policy in India. Further, there is no assurance that a suit brought in an Indian court in relation to a foreign judgment will be disposed of in a timely manner. In addition, any person seeking to enforce a foreign judgment in India is required to obtain the prior approval of the RBI to repatriate any amount recovered, and we cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approval would be acceptable. Such amount may also be subject to income tax in accordance with applicable law.

68. Our ability to raise foreign capital may be constrained by Indian law which provides investment restrictions on foreign investors, which may adversely affect the trading price of the Equity Shares.

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 governmental agency can be obtained on any particular terms, or at all.

In terms of the FEMA Non-debt Instruments Rules, a person resident outside India may make investments into India, subject to certain terms and conditions, and provided that an entity of a country, which shares land border with India or the beneficial owner of an investment into India who is situated in or is a citizen of any such country, shall invest only with government approval.

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 Relating to the Equity Shares and this Issue

69. The trading volume and market price of the Equity Shares may be volatile following the Issue.

The market price of the Equity Shares may fluctuate as a result of, among other things, the following factors, some of which are beyond our control:

- quarterly variations in our results of operations;
- results of operations that vary from the expectations of securities analysts and investors;
- results of operations that vary from those of our competitors;
- changes in expectations as to our future financial performance, including financial estimates by research analysts and investors;
- a change in research analysts’ recommendations;
- announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations or capital commitments;
- announcements by third parties or governmental entities of significant claims or proceedings against us;
- new laws and governmental regulations applicable to our industry;
- additions or departures of key management personnel;
- changes in exchange rates;
- fluctuations in stock market prices and volume; and
- general economic and stock market conditions.

Changes in relation to any of the factors listed above could adversely affect the price of the Equity Shares.

70. 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 in an Indian company is generally taxable in India. A securities transaction tax (“**STT**”) is levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain realized on the sale of listed equity shares held for more than 12 months may be subject to long-term capital gains tax in India at the specified rates depending on certain factors, such as STT paid, the quantum of gains and any available treaty exemptions. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realized on the sale of our Equity Shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. While non-residents may claim tax treaty benefits in relation to such capital gains income, generally, Indian tax treaties do not limit India’s right to impose tax on capital gains arising from the sale of shares of an Indian company.

Further, the Finance Act, 2020 (“**Finance Act 2020**”), passed by the Parliament of India. The Finance Act 2020 stipulates the sale, transfer and issue of certain securities through exchanges, depositories or otherwise to be charged with stamp duty. The Finance Act 2020 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 certain 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 certain securities, other than debentures, on a delivery basis is currently specified under the Finance Act 2020 at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. These amendments have come into effect from July 1, 2020. Under the Finance Act 2020, any dividends paid by an Indian company will be subject to tax in the hands of the shareholders at applicable rates. Such taxes will be withheld by the Indian company paying dividends. The GoI announced the union budget for Fiscal 2022, following which the Finance Bill, 2021 (“**Finance Bill**”) was introduced in the Lok Sabha on February 1, 2021. Subsequently, the Finance Bill received assent of the President of India on March 28, 2021 and became the Finance Act, 2021 (“**Finance Act 2021**”). There is no certainty on the impact of Finance Act 2021 on tax laws or other regulations, which may adversely affect the Bank’s business, financial condition, results of operations or on the industry in which we operate. Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning Equity Shares.

71. Investors will not be able to sell immediately on an Indian stock exchange any of the Equity Shares they purchase in the Issue.

The Equity Shares will be listed on the Stock Exchanges. Pursuant to applicable Indian laws, certain actions must be completed before the Equity Shares can be listed and trading in the Equity Shares may commence. Investors' book entry, or 'demat' accounts with depository participants in India, are expected to be credited with the Equity Shares within one working day of the date on which the Basis of Allotment is approved by the Stock Exchanges. The Allotment of Equity Shares in this Issue and the credit of such Equity Shares to the applicant's demat account with depository participant could take approximately six Working Days from the Bid/Issue Closing Date and trading in the Equity Shares upon receipt of final listing and trading approvals from the Stock Exchanges is expected to commence within six Working Days of the Bid/Issue Closing Date or such other timeline as may be specified under applicable law. There could be a failure or delay in listing of the Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval or otherwise any delay in commencing trading in the Equity Shares would restrict investors' ability to dispose of their Equity Shares. There can be no assurance that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in this risk factor. We could also be required to pay interest at the applicable rates if allotment is not made, refund orders are not dispatched or demat credits are not made to investors within the prescribed time periods.

72. 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 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 pre-emptive 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.

73. Any future issuance of Equity Shares, or convertible securities or other equity linked instruments by us may dilute your shareholding and sale of Equity Shares by shareholders with significant shareholding may adversely affect the trading price of the Equity Shares.

We may be required to finance our growth through future equity offerings. Any future equity issuances by us, including a primary offering of Equity Shares, convertible securities or securities linked to Equity Shares including through exercise of employee stock options, may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us or sales of our Equity Shares by our shareholders may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of our Equity Shares or incurring additional debt. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of our Equity Shares. There can be no assurance that we will not issue Equity Shares, convertible securities or securities linked to Equity Shares or that our Shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

74. 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.

Our Restated Financial Information for Fiscals 2019, 2020 and 2021 and the six months ended September 30, 2021 and 2020, have been prepared and presented in conformity with Ind AS. Ind AS differs in certain significant respects from Indian GAAP, IFRS, U.S. GAAP and other accounting principles with which prospective investors may be familiar in other countries. If our financial statements were to be prepared in accordance with such other accounting principles, our results of operations, cash flows and financial position may be substantially different. Prospective investors should review the accounting policies applied in the preparation of our financial statements and consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should be limited accordingly.

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

The determination of the Price Band is based on various factors and assumptions and will be determined by our Company in consultation with the BRLMs. Furthermore, the Issue Price of the Equity Shares will be determined by our Company in consultation with the BRLMs through the Book Building Process. These will be based on numerous factors, including factors as described under “*Basis for Issue Price*” on page 88 and may not be indicative of the market price for the Equity Shares after the Issue.

In addition to the above, the current market price of securities listed pursuant to certain previous initial public offerings managed by the BRLMs is below their respective issue price. For further details, see “*Other Regulatory and Statutory Disclosures – Price information of past issues handled by the BRLMs*” on page 309. The market price of the Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. The factors that could affect the market price of the Equity Shares include, among others, broad market trends, financial performance and results of our Company post-listing, and other factors beyond our control. We cannot assure you that an active market will develop, or sustained trading will take place in the Equity Shares or provide any assurance regarding the price at which the Equity Shares will be traded after listing.

76. QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the submission of their Bid, and Retail Individual Investors are not permitted to withdraw their Bids after closure of the Bid/ Issue Closing Date.

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are required to pay the Bid Amount on submission of the Bid and are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Bidders can revise their Bids during the Bid/ Issue Period and withdraw their Bids until the Bid/ Issue Closing Date. While we are required to complete all necessary formalities for listing and commencement of trading of the Equity Shares on all Stock Exchanges where such Equity Shares are proposed to be listed, including Allotment, within six Working Days from the Bid/ Issue Closing Date or such other period as may be prescribed under applicable law, events affecting the investors’ decision to invest in the Equity Shares, including adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operations, cash flows or financial condition may arise between the date of submission of the Bid and Allotment. We may complete the Allotment of the Equity Shares even if such events occur, and such events may limit the Investors’ ability to sell the Equity Shares Allotted pursuant to the Issue or cause the trading price of the Equity Shares to decline on listing.

77. Rights of shareholders of companies under Indian law may be more limited than under the laws of other jurisdictions.

Our Articles of Association, composition of our Board, Indian laws governing our corporate affairs, the validity of corporate procedures, directors’ fiduciary duties, responsibilities and liabilities, and shareholders’ rights may differ from those that would apply to a company in another jurisdiction. Shareholders’ rights under Indian law may not be as extensive and wide-spread as shareholders’ rights under the laws of other countries or jurisdictions. Investors may face challenges in asserting their rights as shareholder our Company than as a shareholder of an entity in another jurisdiction.

78. Compliance with provisions of Foreign Account Tax Compliance Act may affect payments on the Equity Shares.

The U.S. “Foreign Account Tax Compliance Act” (or “**FATCA**”) imposes a new reporting regime and potentially, imposes a 30% withholding tax on certain “foreign passthru payments” made by certain non-U.S. financial institutions (including intermediaries).

If payments on the Equity Shares are made by such non-U.S. financial institutions (including intermediaries), this withholding may be imposed on such payments if made to any non-U.S. financial institution (including an intermediary) that is not otherwise exempt from FATCA or other holders who do not provide sufficient identifying information to the payer, to the extent such payments are considered “foreign passthru payments”. Under current guidance, the term “foreign passthru payment” is not defined and it is therefore not clear whether and to what extent payments on the Equity Shares would be considered “foreign passthru payments”. The United States has entered into intergovernmental agreements with many jurisdictions (including India) that modify the FATCA withholding regime described above. It is not yet clear how the intergovernmental agreements between the United States and these jurisdictions will address “foreign passthru payments” and whether such agreements will require us or other financial institutions to withhold or report on payments on the Equity Shares to the extent they are treated as “foreign passthru payments”. Prospective investors should consult their tax advisors regarding the consequences of FATCA, or any intergovernmental agreement or non-U.S. legislation implementing FATCA, to their investment in Equity Shares.

79. U.S. holders should consider the impact of the passive foreign investment company rules in connection with an investment in our Equity Shares.

A foreign corporation will be treated as a passive foreign investment company (“**PFIC**”) for U.S. federal income tax purposes for any taxable year in which either: (i) at least 75% of its gross income is “passive income” or (ii) at least 50% of its gross assets during the taxable year (based on of the quarterly values of the assets during a taxable year) are “passive assets,” which generally means that they produce passive income or are held for the production of passive income.

There can be no assurance that our Company will or will not be considered a PFIC in the current or future years. The determination of whether or not our Company is a PFIC is a factual determination that is made annually after the end of each taxable year, and there can be no assurance that our Company will not be considered a PFIC in the current taxable year or any future taxable year because, among other reasons, (i) the composition of our Company’s income and assets will vary over time, and (ii) the manner of the application of relevant rules is uncertain in several respects. Further, our Company’s PFIC status may depend on the market price of its Equity Shares, which may fluctuate considerably.

SECTION III: INTRODUCTION

THE ISSUE

The following table sets forth details of the Issue:

Issue of Equity Shares of face value of ₹10 each⁽¹⁾	Up to [●] Equity Shares, aggregating up to ₹23,000 million
<i>Of which:</i>	
QIB Portion⁽²⁾⁽³⁾	Not more than [●] Equity Shares
<i>of which:</i>	
- Anchor Investor Portion ⁽²⁾	Up to [●] Equity Shares
- Net QIB Portion (assuming the Anchor Investor Portion is fully subscribed)	[●] Equity Shares
<i>of which:</i>	
- Mutual Fund Portion (5% of the Net QIB Portion) ⁽²⁾	[●] Equity Shares
- Balance for all QIBs including Mutual Funds	[●] Equity Shares
Non-Institutional Portion⁽³⁾	Not less than [●] Equity Shares
Retail Portion⁽³⁾	Not less than [●] Equity Shares
Pre and post-Issue Equity Shares	
Equity Shares outstanding prior to the Issue as on the date of this Draft Red Herring Prospectus	770,376,200 Equity Shares
Equity Shares outstanding after the Issue	[●] Equity Shares
Use of Net Proceeds of the Issue	See “ <i>Objects of the Issue</i> ” on page 75 for information about the use of the Net Proceeds of the Issue.

⁽¹⁾ The Issue has been authorised by our Board of Directors pursuant to the resolutions passed at their meetings on October 18, 2021 and March 25, 2022 and by our Shareholders pursuant to the resolution passed at their meeting on October 20, 2021.

⁽²⁾ Our Company may, in consultation with the BRLMs allocate up to 60% of the QIB Portion 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 Anchor Investor Allocation Price. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the remaining 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 QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than [●] Equity Shares, the balance Equity Shares available for allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For details, see “*Issue Procedure*” on page 323. Allocation to all categories shall be made in accordance with the SEBI ICDR Regulations.

⁽³⁾ Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion, would be allowed to be met with spill over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange, subject to applicable laws. Under-subscription, if any, in the Net QIB Portion would not be allowed to be met with spill-over from other categories or a combination of categories.

Allocation to all categories, except the Anchor Investor Portion, Non-Institutional Portion* and the Retail Portion, shall be made on a proportionate basis subject to valid Bids received at or above the Issue Price, as applicable. The allocation to each RIB 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 allocation to each Non-Institutional Bidder shall not be less than ₹200,000, subject to the availability of Equity Shares in Non-Institutional Portion, and the remaining Equity Shares, if any, shall be allocated on a proportionate basis*. Allocation to Anchor Investors shall be on a discretionary basis in accordance with the SEBI ICDR Regulations. For further details, see “*Issue Structure*” and “*Issue Procedure*” on pages 321 and 323, respectively. For details of the terms of the Issue, see “*Terms of the Issue*” on page 316.

* This allocation methodology is effective from April 1, 2022, if the Bid/Issue Opening Date is on or after April 1, 2022.

SUMMARY OF FINANCIAL INFORMATION

The following tables set forth the summary financial information (excluding the notes) derived from the Restated Financial Information. The summary financial information presented below should be read in conjunction with “*Financial Statements*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 182 and 246, respectively.

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RESTATED STATEMENT OF ASSETS AND LIABILITIES

(All amounts are in ₹ in millions, except as otherwise stated)

ASSETS	As at September 30, 2021	As at September 30, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Non-current assets					
Property, plant and equipment	1,469.82	1,566.00	1,444.08	1,825.52	1,549.98
Capital work-in-progress	-	118.18	99.40	116.22	282.30
Right of use assets	5,156.96	5,626.40	5,384.62	5,927.36	5,290.96
Financial assets					
(i) Other financial assets	461.30	453.30	338.25	364.05	371.06
Other non-current assets	151.14	41.38	65.64	48.74	163.90
Deferred tax assets (net)	491.17	355.74	410.21	352.81	140.09
Total non-current assets	7,730.39	8,161.00	7,742.20	8,634.70	7,798.29
Current assets					
Inventories	43,967.71	33,113.17	38,852.10	34,422.89	29,048.73
Financial assets					
(i) Trade receivables	174.61	8.27	120.33	60.53	243.16
(ii) Cash and cash equivalents	690.99	888.24	757.88	412.05	554.84
(iii) Other bank balances	253.72	69.64	278.68	157.25	112.86
(iv) Other financial assets	57.50	53.11	59.61	7.14	44.15
Other current assets	825.55	646.50	153.95	749.36	599.80
Total current assets	45,970.08	34,778.93	40,222.55	35,809.22	30,603.54
Total Assets	53,700.47	42,939.93	47,964.75	44,443.92	38,401.83
Equity					
Equity share capital	700.34	700.34	700.34	700.34	700.34
Other equity	19,167.01	14,269.03	16,507.16	11,778.18	11,175.39
Total equity	19,867.35	14,969.37	17,207.50	12,478.52	11,875.73
Liabilities					
Non-current liabilities					
Financial liabilities					
(i) Borrowings	250.46	820.56	474.64	683.01	531.71
(ii) Lease liabilities	5,560.92	5,750.36	5,639.31	5,863.01	5,161.06
Total non-current liabilities	5,811.38	6,570.92	6,113.95	6,546.02	5,692.77
Current liabilities					
Financial liabilities					
(i) Borrowings	15,034.72	14,448.23	14,032.89	14,540.19	11,835.70
(ii) Gold on loan	-	-	-	691.51	1,198.41
(iii) Lease liabilities	286.60	218.10	266.70	225.37	195.28
(iii) Trade payables					
- total outstanding dues of micro enterprises and small enterprises	4,448.74	1,108.43	3,598.21	2,476.97	22.82
- total outstanding dues of creditors other than micro enterprises and small enterprises	2,259.02	1,444.62	3,086.02	2,878.45	3,164.98
(iv) Other financial liabilities	24.08	65.54	40.79	61.21	53.82
Other current liabilities	5,381.44	2,915.38	2,810.75	3,991.50	3,933.42
Provisions	200.74	200.74	200.74	-	-
Current tax liabilities (net)	386.40	998.60	607.20	554.18	428.90
Total current liabilities	28,021.74	21,399.64	24,643.30	25,419.38	20,833.33
Total equity and liabilities	53,700.47	42,939.93	47,964.75	44,443.92	38,401.83

RESTATED STATEMENT OF PROFIT AND LOSS

(All amounts are in ₹ in millions, except as otherwise stated)

Particulars	For the half year ended September 30, 2021	For the half year ended September 30, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Income					
Revenue from operations	40,122.61	20,887.73	80,662.93	80,237.88	80,918.42
Other income	247.28	170.63	307.34	82.62	88.96
Total Income	40,369.89	21,058.36	80,970.27	80,320.50	81,007.38
Expenses					
Cost of materials consumed	14,976.91	9,189.09	32,015.83	33,771.17	35,049.38
Purchases of stock-in-trade	24,521.62	4,751.75	40,006.14	39,124.01	36,861.46
Change in inventory of finished goods and stock-in-trade	(5,821.95)	1,023.33	(3,805.65)	(4,853.43)	(1,639.19)
Employee benefits expense	1,002.37	583.58	1,611.70	2,136.14	2,043.47
Finance costs	847.03	970.01	1,898.58	3,399.40	2,065.93
Depreciation and amortisation expense	541.29	670.32	1,252.28	1,019.57	848.77
Other expenses	702.11	549.58	1,622.15	2,245.14	2,507.58
Total expenses	36,769.38	17,737.66	74,601.03	76,842.00	77,737.40
Profit before tax	3,600.51	3,320.70	6,369.24	3,478.50	3,269.98
Tax expense:					
Current tax	982.08	839.11	1,709.10	1,469.86	1,385.00
Tax expense relating to prior half years' / years'	-	-	-	1,919.86	858.25
Deferred tax (benefit)/ charge	(71.02)	(4.52)	(57.40)	(318.27)	(134.65)
Total Tax Expense	911.06	834.59	1,651.70	3,071.45	2,108.60
Profit for the half year / year	2,689.45	2,486.11	4,717.54	407.05	1,161.38
Other Comprehensive Income					
Items that will not be reclassified subsequently to profit or loss					
Remeasure (loss)/ gain of defined benefit liability	(39.54)	6.33	15.29	(2.54)	(5.87)
Income tax related to items that will not be reclassified to profit or loss	9.94	(1.59)	(3.85)	0.64	2.05
Total other comprehensive income for the half year / year	(29.60)	4.74	11.44	(1.90)	(3.82)
Total comprehensive income for the half year / year	2,659.85	2,490.85	4,728.98	405.15	1,157.56
Earnings per share – Basic and diluted (Face value of Rs.10 each) (EPS for the half year ended September 30, 2021 and September 30, 2020 are not annualised)	3.49	3.23	6.12	0.53	1.51

RESTATED STATEMENT OF CASH FLOWS

(All amounts are in ₹ in millions, except as otherwise stated)

Particulars	For the half year ended September 30, 2021	For the half year ended September 30, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Cash flows from operating activities					
Profit before tax	3,600.51	3,320.70	6,369.24	3,478.50	3,269.98
<i>Adjustments for</i>					
Depreciation and amortisation expense	541.29	670.32	1,252.28	1,019.57	848.77
Finance costs	847.03	970.01	1,898.58	3,399.40	2,065.93
Interest income	(7.12)	(4.08)	(9.81)	(13.51)	(10.69)
(Write back) / Provision on slow moving inventory	87.37	641.35	656.54	502.38	-
Provisions no longer required written back	(102.91)	-	-	-	-
Provision on rates and taxes	-	200.74	200.74	-	-
(Profit) / Loss on sale of fixed assets	(1.89)	(0.70)	1.98	(3.82)	(2.37)
Unrealised foreign exchange gain	-	-	(2.35)	-	-
Gain on rent concession	(111.22)	(154.10)	(245.12)	-	-
Net loss on pre-closure of lease contracts	-	7.55	7.93	-	22.34
Interest income under the effective interest method on lease deposits	(9.62)	(2.54)	(17.46)	(22.40)	(45.75)
Operating profit before working capital changes	4,843.44	5,649.25	10,112.55	8,360.12	6,148.21
(Increase)/Decrease in non-current assets	(2.19)	(3.01)	(6.18)	45.50	(135.95)
(Increase)/Decrease in trade receivables	(54.28)	52.26	(57.46)	182.63	(159.12)
(Increase)/Decrease in inventories	(5,202.98)	668.37	(5,085.75)	(5,876.54)	(721.13)
(Increase) /Decrease in loans and other financial assets and other assets	(784.24)	(29.04)	28.76	38.63	178.07
Decrease in gold on loan	-	(691.51)	(691.51)	(506.90)	(614.25)
Increase /(Decrease) in trade payables	23.53	(2,802.37)	1,328.81	2,167.62	(1,300.32)
Increase /(Decrease) in current liabilities	2,673.60	(1,076.12)	(618.13)	(74.31)	722.09
(Decrease) / Increase in financial liabilities and provisions	(39.54)	6.33	15.29	(2.54)	(5.87)
Cash generated from operations	1,457.34	1,774.16	5,026.38	4,334.21	4,111.73
Taxes paid	(1,207.27)	(400.79)	(1,717.52)	(4,673.35)	(1,723.01)
Net cash generated from / (used in) operating activities (A)	250.07	1,373.37	3,308.86	(339.14)	2,388.72
Cash flows from investing activities					
Interest received	8.44	3.29	4.64	24.13	3.10
Proceeds on maturity/ (Placement) of Fixed deposits	24.96	87.61	(121.43)	(44.39)	0.04
Purchase of property, plant and equipment	(260.28)	(82.27)	(272.68)	(476.84)	(526.19)
Proceeds from sale of property, plant and equipment	2.11	0.81	2.57	7.79	5.98
Net cash (used in) / generated from investing activities (B)	(224.77)	9.44	(386.90)	(489.31)	(517.07)
Cash flows from financing activities					
Finance cost paid	(570.58)	(712.59)	(1,318.91)	(1,412.45)	(1,293.59)
Proceeds from long term borrowings	-	600.00	530.00	567.00	453.00
Repayment of long term borrowings	(337.13)	(174.85)	(429.39)	(262.20)	(255.35)
(Repayment) / Proceeds from short term borrowings (Net)	1,114.78	(379.56)	(816.28)	2,550.99	(402.89)
Principal payment of lease liabilities	(22.88)	-	(13.87)	(194.49)	(152.22)
Interest payment of lease liabilities	(276.38)	(239.62)	(527.68)	(563.19)	(463.91)
Net cash (used in) / generated from financing activities (C)	(92.19)	(906.62)	(2,576.13)	685.66	(2,114.96)
Net (decrease)/ increase in cash and cash equivalents (A+B+C)	(66.89)	476.19	345.83	(142.79)	(243.31)
Cash and cash equivalents at the beginning of the half year / year	757.88	412.05	412.05	554.84	798.15
Cash and cash equivalents at the end of the half year / year	690.99	888.24	757.88	412.05	554.84

GENERAL INFORMATION

Registered and Corporate Office

Joyalukkas India Limited

Door No. 5/309-3, Bishop Alapatt Road

Fathima Nagar, Mission Quarters

Thrissur District, Thrissur 680 005

Kerala, India

CIN: U51398KL2002PLC015372

Company registration number: 015372

For details of change in the registered office of our Company, see “*History and Certain Corporate Matters*” on page 151.

Address of the RoC

Our Company is registered with the RoC situated at the following address:

Registrar of Companies, Kerala at Ernakulam

Company Law Bhawan

BMC Road, Thrikkakara

Kochi 682 021

Kerala, India

Company Secretary and Compliance Officer

Geetha G Nair

Door No. 5/309-3, Bishop Alapatt Road

Fathima Nagar, Mission Quarters

Thrissur District, Thrissur 680 005

Kerala, India

Tel: +91 487 232 9222

E-mail: investors@joyalukkas.com

Board of Directors

As on the date of this Draft Red Herring Prospectus, our Board of Directors of our Company comprises of the following:

Name	Designation	DIN	Address
Alukkas Varghese Joy	Managing Director	00313967	Joyalukkas Mansion, Alukkas House, Sobha City, P. O. Puzhakkal, Thrissur 680 553, Kerala, India
John Paul Joy Alukkas	Non-Executive Director	00314046	A. 069, 347 Al Merkad Premise no. 347995187, P. O. Box 12928, Dubai, UAE
Thomas Scaria Kalappurackal	Non-Executive Director	09262746	509, 134 Al Mamzar, Premise no. 134043502, P. O. Box 12928, Dubai, UAE
Alex Kalluvila Babu	Non-Executive Independent Director	01254207	House no. 1/ 60, Varakkal Temple Road, PO West Hill, Kozhikode 673 005, Kerala, India
Lava Krishnan	Non-Executive Independent Director	01714370	Villa 4, SFS Gardenia, Pappaly Road, Vazhakkala, Kakkanad, Ernakulam 682 030, Kerala, India
Pushpy B. Muricken	Non-Executive Independent Director	03431198	Kodiyatt, 5-Vrindavanam, Subhash Chandra Bose Road, Vytilla P.O., Elamkulam, Kochi 682 019, Kerala, India

For brief profiles and further details of our Board of Directors, see “*Our Management*” on page 156.

Filing of this Draft Red Herring Prospectus

A copy of this Draft Red Herring Prospectus has been filed electronically with 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” and has also been uploaded on the SEBI intermediary portal at siportal.sebi.gov.in as specified in Regulation 25(8) of the SEBI ICDR Regulations and the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018.

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 shall be filed with the RoC and a copy of the Prospectus shall be filed under Section 26 of the Companies Act with the RoC.

Book Running Lead Managers

Edelweiss Financial Services Limited

6th Floor, Edelweiss House
Off C.S.T. Road, Kalina
Mumbai 400 098
Maharashtra, India
Tel: +91 22 4009 4400
E-mail: joyalukkas.ipo@edelweissfin.com
Investor grievance e-mail:
customerservice.mb@edelweissfin.com
Website: www.edelweissfin.com
Contact person: Lokesh Shah
SEBI registration no.: INM0000010650

Haitong Securities India Private Limited

1203A, Tower 2A, Floor 12A
One World Center
841, Senapati Bapat Marg
Elphinstone Road, Mumbai 400 013
Maharashtra, India
Tel: +91 22 4315 6853
E-mail: joyalukkas.ipo@htisec.com
Investor grievance e-mail: grievance.india-
ib@htisec.com
Website: <http://www.htisec.com/en-us/haitong-india>
Contact person: Aditya Gaitonde
SEBI registration no.: INM000012045

Motilal Oswal Investment Advisors Limited

Motilal Oswal Tower
Rahimtullah Sayani Road
Opposite Parel ST Depot
Prabhadevi, Mumbai 400 025
Maharashtra, India
Tel: +91 22 7193 4380
E-mail: joyalukkas.ipo@motilaloswal.com
Investor grievance e-mail:
moiaplredressal@motilaloswal.com
Website: www.motilaloswalgroup.com
Contact person: Kirti Kanoria/ Ritu Sharma
SEBI registration no.: INM000011005

SBI Capital Markets Limited

202, Maker Tower 'E'
Cuffe Parade
Mumbai 400 005
Maharashtra, India
Tel.: +91 22 2217 8300
E-mail: joyalukkas.ipo@sbicaps.com
Investor grievance e-mail:
investor.relations@sbicaps.com
Website: www.sbicaps.com
Contact person: Aditya Deshpande/ Janvi Talajia
SEBI registration no.: INM000003531

Syndicate Members

[•]

Legal Counsel to the Company as to Indian Law

Cyril Amarchand Mangaldas

3rd Floor, Prestige Falcon Towers
19, Brunton Road
Bengaluru 560 025
Karnataka, India
Tel: +91 80 6792 2000

Legal Counsel to the BRLMs as to Indian Law

S&R Associates

64, Okhla Industrial Estate Phase III
New Delhi 110 020
Delhi, India
Tel: +91 11 4069 8000

International Legal Counsel to the BRLMs

Hogan Lovells Lee & Lee

50 Collyer Quay
#10-01 OUE Bayfront
Singapore 049321
Singapore
Tel: +65 6538 0900

Statutory Auditors to our Company

MSKA & Associates

5th Floor, Main Building, Guna Complex
New No 443 & 445, Old No 304 & 305
Mount Road, Teynampet
Chennai 600 018
Tamil Nadu, India
Tel: +91 44 6131 0200
E-mail: geethajeyakumar@mska.in
Firm registration no.: 105047W
Peer review certificate no.: 013267

Changes in auditors

There have been no changes in our statutory auditors during the last three years preceding the date of this Draft Red Herring Prospectus.

Registrar to the Issue**Link Intime India Private Limited**

C-101, 1st Floor, 247 Park
L.B.S. Marg
Vikhroli West
Mumbai – 400 083
Maharashtra, India
Tel: +91 22 4918 6200
E-mail: joyalukkas.ipo@linkintime.co.in
Investor grievance e-mail: joyalukkas.ipo@linkintime.co.in
Website: www.linkintime.co.in
Contact person: Shanti Gopalkrishnan
SEBI registration no.: INR000004058

Bankers to the Issue**Escrow Collection Bank(s)**

[•]

Refund Bank(s)

[•]

Public Issue Account Bank(s)

[•]

Sponsor Banks

[•]

Bankers to our Company**HDFC Bank Limited**

Emerging Corporate Group, 1st Floor, SL Plaza
Palarivattom, Kochi 682 005
Kerala, India
Tel: +91 484 443 3204
E-mail: jeyson.john5@hdfcbank.com
Website: www.hdfcbank.com
Contact person: Jeyson John

ICICI Bank Limited

Large Clients Group
3rd Floor, Emgee Square
Padma Junction, MG Road
Kochi 682 020
Kerala, India
Tel: +91 0484 404 1896
E-mail: prashant.nambiar@icicibank.com
Website: www.icicibank.com
Contact person: Prashant Nambiar

IDBI Bank Limited

Specialised Corporate Branch
Panampilly Nagar, Post Bag # 4253

Kochi 682 036
Kerala, India
Tel: +91 0484 231 0390
E-mail: n.muraleedharan@idbi.co.in
Website: www.idbibank.in
Contact person: Muraleedharan N.

Designated Intermediaries

Self-Certified Syndicate Banks

The banks registered with SEBI, which offer the facility of ASBA services, (i) in relation to ASBA, where the Bid Amount will be blocked by authorising an SCSB, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time, (ii) in relation to RIBs using the UPI Mechanism, a list of which is available on the website of SEBI at sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time.

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

Syndicate SCSB Branches

In relation to Bids (other than Bids by Anchor Investor) submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35) and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 as updated from time to time.

Registered Brokers

The list of the Registered Brokers eligible to accept ASBA forms, including details such as postal address, telephone number and e-mail address, is provided on the websites of the BSE and the NSE 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 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.

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 BSE at www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx and on the website of NSE at www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, 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 March 25, 2022 from our statutory auditors, namely, MSKA & Associates, holding a valid peer review certificate from the ICAI, to include their name as required under Section 26(5) of the Companies Act 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 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report, dated December 8, 2021 on our Restated Financial Information; and (ii) their report dated March 25, 2022 on the statement of special tax benefits included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of

this Draft Red Herring Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

In addition, our Company has also received (i) written consent dated March 21, 2022 from Technopak, in relation to the Industry Report with respect to our Company, and (ii) written consent dated March 25, 2022 from the Independent Chartered Accountant, R.G.N. Price & Co., Chartered Accountants, to include their name in this Draft Red Herring Prospectus and as an “expert” as defined under section 2(38) and 26(5) of the Companies Act, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Monitoring Agency

Our Company shall appoint a Monitoring Agency to monitor the utilization of the Net Proceeds in terms of Regulation 41 of SEBI ICDR Regulations prior to filing the Red Herring Prospectus with the RoC.

Appraising Entity

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

Credit Rating

As this is an Issue of Equity Shares, there is no credit rating required for the Issue.

IPO Grading

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

Debenture Trustees

As the Issue relates to an issue of Equity Shares, the appointment of debenture trustees is not required.

Green Shoe Option

No green shoe option is contemplated under the Issue.

Inter-se allocation of responsibilities between the BRLMs

The following table sets forth the inter-se allocation of responsibilities for various activities amongst the BRLMs:

S. No.	Activity	Coordinator
1.	Due diligence of the Company including its operations/management/business plans/legal etc. Drafting and design of the Draft Red Herring Prospectus, Red Herring Prospectus, Prospectus, abridged prospectus and application form. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalisation of Prospectus and RoC filing. Capital structuring with the relative components and formalities such as type of instruments, size of issue, allocation between primary and secondary, etc.	Edelweiss
2.	Drafting and approval of all statutory advertisement	Edelweiss
3.	Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertising, brochure, etc. and filing of media compliance report	Motilal Oswal
4.	Appointment of intermediaries - Registrar to the Issue, advertising agency, Banker(s) to the Issue, Sponsor Banks, printer and other intermediaries, including coordination of all agreements to be entered into with such intermediaries	Haitong
5.	Preparation of road show presentation	SBICAP
6.	Prepare frequently asked questions for the road show	Haitong
7.	International institutional marketing of the Issue, which will cover, <i>inter alia</i> : <ul style="list-style-type: none"> • marketing strategy; • Finalizing the list and division of investors for one-to-one meetings; and • Finalizing road show and investor meeting schedule 	SBICAP / Haitong
8.	Domestic institutional marketing of the Issue, which will cover, <i>inter alia</i> : <ul style="list-style-type: none"> • marketing strategy; • Finalizing the list and division of investors for one-to-one meetings; and • Finalizing road show and investor meeting schedule 	Edelweiss
9.	Non-institutional marketing of the Issue, which will cover, <i>inter alia</i> , <ul style="list-style-type: none"> • Finalising media, marketing and public relations strategy including list of frequently asked questions at non-institutional road shows; and 	Edelweiss

S. No.	Activity	Coordinator
	<ul style="list-style-type: none"> Finalising centers for holding conferences for brokers, etc. 	
10.	Retail marketing of the Issue, which will cover, <i>inter alia</i> : <ul style="list-style-type: none"> Formulating marketing strategies and preparation of publicity budget; Finalizing media and PR strategy; Finalizing centers for holding conferences for brokers, etc.; Finalizing collection centers; and Follow-up on distribution of publicity and Issue material including application form, the Prospectus and deciding on the quantum of the Issue material 	Motilal Oswal
11.	Coordination with Stock Exchanges for book building software, bidding terminals, mock trading, payment of 1% security deposit, anchor coordination, anchor CAN and intimation of anchor allocation	SBICAP
12.	Managing the book and finalization of pricing in consultation with the Company.	Edelweiss
13.	Post-Issue activities, which shall involve essential follow-up with Bankers to the Issue and SCSBs to get quick estimates of collection and advising Company about the closure of the Issue, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, unblocking of application monies, listing of instruments, dispatch of certificates or demat credit and refunds and coordination with various agencies connected with the post-Issue activity such as Registrar to the Issue, Bankers to the Issue, Sponsor Banks, SCSBs including responsibility for underwriting arrangements, as applicable.	Motilal Oswal
	Coordinating with Stock Exchanges and SEBI for submission of all post- Issue reports including the initial and final post- Issue report to SEBI, release of 1% security deposit post closure of the Issue	

Book Building Process

Book Building Process, in the context of the Issue, refers to the process of collection of Bids from Bidders on the basis of the Red Herring Prospectus, the Bid cum Application Forms and the Revision Forms within the Price Band. The Price Band and minimum Bid Lot size will be decided by our Company in consultation with the BRLMs, and advertised in [●] editions of [●], an English national daily newspaper, [●] editions of [●], a Hindi national daily newspaper and [●] editions of [●], a Malayalam daily newspaper (Malayalam being the regional language of Kerala, where our Registered and Corporate Office is located), each with wide circulation, at least two Working Days prior to the Bid/Issue Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites. The Issue Price shall be determined by our Company in consultation with the BRLMs after the Bid/Issue Closing Date.

All Bidders, except Anchor Investors, are mandatorily required to use the ASBA process for participating in the Issue 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. Anchor Investors are not permitted to participate in the Issue 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 can revise their Bids during the Bid/Issue Period and withdraw their Bids on or before the Bid/Issue Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/Issue Period. Allocation to the QIBs (other than Anchor Investors) will be on a proportionate basis while allocation to the Anchor Investors will be on a discretionary basis.

Each Bidder by submitting a Bid in the Issue, will be deemed to have acknowledged the above restrictions and the terms of the Issue.

Our Company will comply with the SEBI ICDR Regulations and any other directions issued by SEBI in relation to this Issue.

The Book Building Process is in accordance with guidelines, rules and regulations prescribed by SEBI and are subject to change from time to time. Bidders are advised to make their own judgement about an investment through this process prior to submitting a Bid.

For further details on the method and procedure for Bidding, see “*Issue Structure*”, “*Issue Procedure*” and “*Terms of the Issue*” on pages 321, 323 and 316, respectively.

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

Illustration of Book Building and Price Discovery Process

For an illustration of the Book Building Process and the price discovery process, see “*Issue Procedure*” on page 323.

Underwriting Agreement

The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus and will be executed after the determination of the Issue Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC. Our Company intends to enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be issued and offered in the Issue. The Underwriting Agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of each of the Underwriters will be several and will be subject to certain conditions specified therein.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(This portion has been intentionally left blank and will be filled in before filing of the Prospectus with the RoC.)

Name, Address, Telephone No. and E-mail Address of the Underwriters	Indicative No. of Equity Shares to be Underwritten	Amount Underwritten (in ₹ million)
[●]	[●]	[●]

The abovementioned underwriting commitments are indicative and will be finalised after pricing of the Issue, the Basis of Allotment and actual allocation in accordance with provisions of the SEBI ICDR Regulations.

In the opinion of our Board, the resources of the abovementioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The abovementioned Underwriters are registered with the SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges. Our Board/ IPO Committee, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment 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 Bidders procured by them in accordance with the Underwriting Agreement. The extent of underwriting obligations and the Bids to be underwritten in the Issue shall be as per the Underwriting Agreement.

CAPITAL STRUCTURE

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

		<i>(In ₹, except share data)</i>	
		Aggregate value at face value	Aggregate value at Issue Price*
A	AUTHORISED SHARE CAPITAL⁽¹⁾		
	1,500,000,000 Equity Shares of face value of ₹10 each ⁽¹⁾	15,000,000,000	
B	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE		
	770,376,200 Equity Shares of face value of ₹10 each	7,703,762,000	[●]
C	PRESENT ISSUE		
	Issue of up to [●] Equity Shares aggregating up to ₹23,000 million ⁽²⁾	[●]	[●]
D	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE ISSUE		
	[●] Equity Shares of face value of ₹10 each*	[●]	[●]
E	SECURITIES PREMIUM ACCOUNT		
	Before the Issue		Nil
	After the Issue		[●]

* To be included upon finalisation of the Issue Price

⁽¹⁾ For details in relation to the changes in the authorised share capital of our Company, see “History and Certain Corporate Matters – Amendments to the Memorandum of Association” on page 151

⁽²⁾ The Issue has been authorised by our Board of Directors pursuant to the resolutions passed at their meetings on October 18, 2021 and March 25, 2022 and by our Shareholders pursuant to the resolution passed at their meeting on October 20, 2021.

Notes to the Capital Structure

1. Share Capital History of our Company

(i) Equity Share capital

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

Date of allotment	Number of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration	Nature of allotment	Cumulative number of equity shares	Cumulative paid-up equity share capital
April 22, 2002	200	500	500	Cash	Initial subscription to the MoA ⁽¹⁾	200	100,000
September 25, 2002	99,800	500	500	Cash	Further allotment ⁽²⁾	100,000	50,000,000
March 30, 2005	100,000	500	500	Cash	Further allotment ⁽³⁾	200,000	100,000,000
March 1, 2007	200,000	500	500	Cash	Further allotment ⁽⁴⁾	400,000	200,000,000
September 28, 2007	Subdivision of equity shares of face value of ₹500 each to Equity Shares of face value of ₹10 each					20,000,000	200,000,000
November 5, 2007	25,000,000	10	10	Cash	Further allotment ⁽⁵⁾	45,000,000	450,000,000
February 19, 2009	5,000,000	10	10	Cash	Further allotment ⁽⁶⁾	50,000,000	500,000,000
November 8, 2010	20,900	10	10	Cash	Further allotment ⁽⁷⁾	50,020,900	500,209,000
November 12, 2010	13,300	10	10	Cash	Further allotment ⁽⁸⁾	50,034,200	500,342,000
May 15, 2013	20,000,000	10	10	Cash	Further allotment ⁽⁹⁾	70,034,200	700,342,000
October 18, 2021 [^]	700,342,000	10	-	N/A	Bonus issue in the ratio of 10 Equity Shares for every one Equity Share	770,376,200	7,703,762,000

Date of allotment	Number of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration	Nature of allotment	Cumulative number of equity shares	Cumulative paid-up equity share capital
					held in our Company ⁽¹⁰⁾		

- (1) 100 equity shares each were allotted to Alukkas Varghese Joy and Jolly Joy
- (2) 89,900 equity shares were allotted to Alukkas Varghese Joy and 9,900 equity shares were allotted to Jolly Joy
- (3) 90,000 equity shares were allotted to Alukkas Varghese Joy and 10,000 equity shares were allotted to Jolly Joy
- (4) 180,000 equity shares were allotted to Alukkas Varghese Joy and 20,000 equity shares were allotted to Jolly Joy
- (5) 22,500,000 Equity Shares were allotted to Alukkas Varghese Joy and 2,500,000 Equity Shares were allotted to Jolly Joy
- (6) 4,500,000 Equity Shares were allotted to Alukkas Varghese Joy and 500,000 Equity Shares were allotted to Jolly Joy
- (7) 800 Equity Shares were allotted to Joseph Christo, 700 Equity Shares each were allotted to Jaleel KPA and Jeejo Simon, 600 Equity Shares each were allotted to Jose PP, Jose D. Pallikunnan, Francis PD, Deepak Xazier, Asalatha TD, Varun TV, Sanjay H, Deepu K. George and Subiraj Thomas, 500 Equity Shares each were allotted to Jayakrishnan NV, Antony MV, Douglas KJ, Joseph K. Francis, Praveen Davis, Daijo AJ, Anish Varghese, Sooraj Parameswaran and Suresh VN, 400 Equity Shares each were allotted to Davy Antony, Siju Kallikkadan, Biju Kallikad and Sumesh KA, 300 Equity Shares each were allotted to Robin Thanmpy, Gopalkrishnan P, Sadanandan KP, Benady KJ, Jose Paul, Mahesh MJ, Lalji Joseph, Subin PS, Ashiq Xavier, Roni John, Sony KK, Manoj C, Daison David, Shaju KR, Shelton V. Raphel, Jobichan UV, Roju Mathew, Geever P. Kurian, Arun Sunny, Sunil PS, Joseph Kunjappu, Jerin T. John, Praveen Kunjumon and Jaison TS.
- (8) 1,000 Equity Shares were allotted to Nandakumar Thelakkat, 500 Equity Shares each were allotted to Tenson TT and Sibi TA, 300 Equity Shares each were allotted to Jaison PV, Sasan Sunny, Priju Joseph C, Jenson VG, Sebastian KJ, Pratheesh PV, Joseph KP, Josalas C, Anil CR, Arun Jose, Soby Antony, Anil Kumar M, Paulson Paulose, Satheesh John, Sabu AF, George Varunny M, Ancy Anthony, Rijo P. John, Raghuraj M, Devarajanachary C and Sachin VS, 200 Equity Shares each were allotted to Dipu Abraham, Sirish P. Nair, Rajesh Krishnan, Ashraf PI, Anish Thomas K, Joffy Thomas, Cinto Davis, Rijo KA, Anhar HK, Shine Joshy, Sijo Joseph, Reeson EV, Jaimon Mathew, Joffy Paul C, Benny Antony, Jinesh VS, Riyon MJ, Biju Antony, Shaju P. Davis, Manoj Scaria, Viniraj CV, Raphy TJ, Balakrishnan AR, Varghese PJ and Manu P. Mathew
- (9) 20,000,000 Equity Shares were allotted to Alukkas Varghese Joy
- (10) 700,233,000 Equity Shares were allotted to Alukkas Varghese Joy, 5,000 Equity Shares were allotted to Jolly Joy (jointly held with Mary Jeny Joy, who is the second holder), 100,000 Equity Shares were allotted to John Paul Joy Alukkas, 1,000 Equity Shares each were allotted to PP Jose, Pallikkunnan D. Jose, PD Francis and Antony Chirakekkaran Jos.

^ The bonus issue was undertaken by capitalisation of free reserves of our Company

(ii) **Preference Share capital**

As on the date of this Draft Red Herring Prospectus, our Company does not have any outstanding preference share capital.

2. **Issue of Equity Shares at a price lower than the Issue Price in the last one year**

Our Company has not issued any Equity Shares at a price that may be lower than the Issue Price during the last one year preceding the date of this Draft Red Herring Prospectus.

3. **Issue of shares for consideration other than cash or out of revaluation reserves**

Our Company has not issued any equity shares for consideration other than cash or out of revaluation reserves since its incorporation.

4. **Issue of equity shares pursuant to schemes of arrangement**

Our Company has not allotted any equity shares in terms of any scheme of arrangement approved under Sections 391 to 394 of the Companies Act, 1956 or Sections 230 to 234 of the Companies Act, 2013.

5. Shareholding Pattern of our Company

The table below presents the equity 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 dematerialised 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: Equity Shares	Total								
(A)	Promoter and Promoter Group	3	770,371,800	-	-	770,371,800	99.99	770,371,800	770,371,800	99.99	-	-	-	-	-	770,371,800	
(B)	Public	4	4,400	-	-	4,400	0.01	4,400	4,400	0.01	-	-	-	-	-	4,400	
(C)	Non Promoter-Non Public																
(C1)	Shares underlying depository receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(C2)	Shares held by employee trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Total (A+B+C)	7	770,376,200	-	-	770,376,200	100	770,376,200	770,376,200	100	-	-	-	-	-	770,376,200	

6. **Details of equity shareholding of the major Shareholders of our Company**

- (i) The Shareholders holding 1% or more of the paid-up Equity Share capital of our Company and the number of Equity Shares held by them as on the date of this Draft Red Herring Prospectus are set forth in the table below:

Sr. No.	Name of the Shareholder	Number of Equity Shares	Percentage of the pre- Issue Equity Share capital (%)
1.	Alukkas Varghese Joy	770,256,300	99.98
	Total	770,256,300	99.98

- (ii) The Shareholders who held 1% or more of the paid-up Equity Share capital of our Company and the number of Equity Shares held by them 10 days prior to the date of this Draft Red Herring Prospectus are set forth in the table below:

Sr. No.	Name of the Shareholder	Number of Equity Shares	Percentage of the pre- Issue Equity Share capital (%)
1.	Alukkas Varghese Joy	770,256,300	99.98
	Total	770,256,300	99.98

- (iii) The Shareholders who held 1% or more of the paid-up Equity Share capital of our Company and the number of Equity Shares held by them one year prior to the date of this Draft Red Herring Prospectus are set forth in the table below:

Sr. No.	Name of the Shareholder	Number of Equity Shares	Percentage of the pre- Issue Equity Share capital (%)
1.	Alukkas Varghese Joy	70,023,300	99.98
	Total	70,023,300	99.98

- (iv) The Shareholders who held 1% or more of the paid-up Equity Share capital of our Company and the number of Equity Shares held by them two years prior to the date of this Draft Red Herring Prospectus are set forth in the table below:

Sr. No.	Name of the Shareholder	Number of Equity Shares	Percentage of the pre- Issue Equity Share capital (%)
1.	Alukkas Varghese Joy	70,023,300	99.98
	Total	70,023,300	99.98

7. **Details of shareholding of our Directors, KMPs, Promoter and members of Promoter Group in our Company**

- a. Except as disclosed below, as on the date of this Draft Red Herring Prospectus, none of our Promoter and members of the Promoter Group hold any Equity Shares in our Company:

Sr. No.	Name	Number of Equity Shares	Percentage Equity Share Capital (%)
Promoter			
1.	Alukkas Varghese Joy	770,256,300	99.98
	Sub-total (A)	770,256,300	99.98
Promoter Group			
1.	John Paul Joy Alukkas	110,000	0.01
2.	Jolly Joy*	5,500	Negligible
	Sub-total (B)	115,500	0.01
	Total (A+B)	770,371,800	99.99

*Jointly held with Mary Jeny Joy, who is the second holder and individual forming part of the Promoter Group

For further details, see “Our Promoter and Promoter Group” on page 173.

For details, with respect to the shareholding of the Directors and KMPs, please see “Our Management – Shareholding of Directors in our Company” and “Our Management – Shareholding our Key Managerial Personnel” on pages 161 and 171, respectively.

b. **Build-up of the shareholding of our Promoter in our Company**

The details regarding the build-up of the shareholding of our Promoter in our Company since incorporation is set forth in the table below:

Date of transfer/ allotment of equity shares/ date when fully-paid up	Number of equity shares allotted/ transferred	Nature of transaction	Nature of consideration	Face Value per equity share (₹)	Transfer price/ issue price per equity share (₹)	Percentage of the pre- Issue capital (%) [^]	Percentage of the post- Issue capital (%) [^]
Alukkas Varghese Joy							
April 22, 2002 ⁺	100	Initial subscription to the MoA	Cash	500	500	-*	[●]
September 25, 2002 ⁺	89,900	Further allotment	Cash	500	500	0.58	[●]
March 30, 2005 ⁺	90,000	Further allotment	Cash	500	500	0.58	[●]
March 1, 2007 ⁺	180,000	Further allotment	Cash	500	500	1.17	[●]
September 28, 2007	Subdivision of equity shares of face value of ₹500 each to Equity Shares of face value of ₹10 each						
November 5, 2007 ⁺	22,500,000	Further allotment	Cash	10	10	2.92	[●]
February 19, 2009 ⁺	4,500,000	Further allotment	Cash	10	10	0.58	[●]
August 7, 2010	(10,300)	Transfer ⁽¹⁾	Gift	10	10	-*	[●]
November 12, 2010	(9,000)	Transfer ⁽²⁾	Gift	10	10	-*	[●]
December 17, 2011	39,200	Transfer ⁽³⁾	Cash	10	10	0.01	[●]
March 8, 2012	4,000	Transfer ⁽⁴⁾	Cash	10	10	-*	[●]
May 25, 2012	(100)	Transfer ⁽⁵⁾	Cash	10	10	-*	[●]
May 15, 2013	20,000,000	Further allotment	Cash	10	10	2.60	[●]
February 4, 2017	4,999,500	Transfer ⁽⁶⁾	Cash	10	10	0.65	[●]
October 18, 2021	700,233,000	Bonus issue in the ratio of 10 Equity Shares for every one Equity Share held in our Company	N/A	10	N/A	90.89	[●]
Total	770,256,300					99.98	[●]

* Negligible

[^]Adjusted for subdivision of face value of Equity Shares, as applicable

- (1) Transfer of 10,000 Equity Shares from Alukkas Varghese Joy to John Paul Joy Alukkas and 100 Equity Shares each from Alukkas Varghese Joy to P.P. Jose, P.D. Jose and P.D. Francis.
- (2) Transfer of 1,000 Equity Shares each from Alukkas Varghese Joy to Elsy Anthony, Mary Jacob, Tresa Mathew, Rosily Joseph, Lucy Tomy, Jacintha Johnson, Clara Johnson, Reena Joby and Pauly Antony.
- (3) Transfer of 1,000 Equity Shares each from Elsy Anthony, Mary Jacob, Tresa Mathew, Rosily Joseph, Lucy Tomy, Jacintha Johnson, Clara Johnson, Reena Joby, Pauly Antony and Nandakumar Thelakkat to Alukkas Varghese Joy; 800 Equity Shares from Joseph Christo to Alukkas Varghese Joy; 700 Equity Shares each from Jaleel K P A and Jeejo Simon to Alukkas Varghese Joy; 600 Equity Shares each from Jose D. Pallikunnan, Francis P.D., Deepak Xavier, Varun TV, Sanjay H., Deepu K. George, Subiraj Thomas and Jose PP to Alukkas Varghese Joy; 500 Equity Shares each from Jayakrishnan N V, Antony M V, Douglas K J, Joseph K. Francis, Praveen Davis, Daijo AJ, Sooraj Parameshwaran, Suresh VN and Sibi T A to Alukkas Varghese Joy; 400 Equity Shares each from Davy Antony, Siju Kallikkadan, Biju Kallikkad and Sumesh K A to Alukkas Varghese Joy; 300 Equity Shares each from Robin Thampy, Gopalakrishnan P., Sadanandan K P, Jose Paul, Mahesh MJ, Lalji Joseph, Ashiq Xavier, Roni John, Sony K K, Manoj C., Daison David, Shaju KR, Shelton V. Raphael, Jobichan U V, Roju Mathew, Geever P. Kurian, Arun Sunny, Sunil P S, Joseph Kunjappu, Jerin T. John, Praveen Kunjumom, Jaison T S, Jaison P V, Sasan Sunny, Priju Joseph C., Jenson V G, Sebastian K J, Pratheesh P V, Joseph K P, Josalas C., Anil C R, Arun Jose, Anil Kumar M, Paulson Paulose, Satheesh John, Sabu A F, Raghuraj M., Devarajanchary and Sachin V S to Alukkas Varghese Joy; and 200 Equity Shares each from Dipu Abraham, Rajesh Krishnan, Anisisthomas K, Joffy Thomas, Cinto Davis, Rijo K A, Anhar H K, Shine Joshy, Sijo Joseph, Reeson EV, Jaimon Mathew, Joffy Paul C., Benny Anthony, Jinesh V S., Riyon M J., Biju Anthony, Shaju P. Davis, Manoj Scaria, Viniraj C V, Raphy T J, Balakrishnan A R. and Varghese P J to Alukkas Varghese Joy.
- (4) Transfer of 600 Equity Shares from Asalatha TD to Alukkas Varghese Joy; 500 Equity Shares each from Tenson TT and Anish Varghese to Alukkas Varghese Joy; 300 Equity Shares each from Ancy Anthony, Rijo P. John, Benady KJ, Soby Antony, George Varunny M and Subin PS to Alukkas Varghese Joy; and 200 Equity Shares each from Sirish P. Nair, Ashraf PI and Manu P. Mathew to Alukkas Varghese Joy
- (5) Transfer of Equity Shares from Alukkas Varghese Joy to Antony Chirakkekkaran Jos

(6) *Transfer of Equity Shares from Jolly Joy to Alukkas Varghese Joy*

⁺ Allotments were made to our Promoter pursuant to the capitalization and conversion of the funds amounting to ₹499.90 million transferred by our Promoter to our Company. For details in relation to the letters issued by the RBI, the compounding application filed with the RBI, notices, summons and letters issued by the DoE, as the case may be, see “Outstanding Litigation and Material Developments—Litigation involving our Company—Litigation against our Company—Actions Taken by Regulatory and Statutory Authorities” on page 285. For details in relation to the risks associated with this matter, see “Risk Factors— There have been certain deficiencies in compliances with the FEMA regulations in relation to certain unsecured loans received by our Company from our Promoter. We have filed a compounding application with the RBI in respect of such contraventions, which is currently pending. Consequently, we may be subject to regulatory actions and penalties/compounding fees for such non-compliance which may adversely impact our business, financial condition and reputation” on page 23.

All the Equity Shares held by our Promoter were fully paid-up on the respective dates of allotment/ acquisition of such Equity Shares.

As on the date of this Draft Red Herring Prospectus, none of the Equity Shares held by our Promoter are pledged.

- c. None of the members of the Promoter Group, and our Directors or 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.
8. There have been no financing arrangements whereby 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.

9. **Details of Promoter’s contribution and lock-in**

- (i) In accordance with Regulation 14 and Regulation 16 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Issue Equity Share capital of our Company held by our Promoter, shall be locked in for a period of 18 months from the date of Allotment and the shareholding of our Promoter in excess of 20% of the fully diluted post-Issue Equity Share capital shall be locked in for a period of six months from the date of Allotment.
- (ii) The details of the Equity Shares held by our Promoter, which shall be locked-in for a period of 18 months from the date of Allotment are set forth below.

Name of Promoter	Number of Equity Shares locked-in ⁽¹⁾	Date of allotment/ transfer*	Date up to which the Equity Shares shall be locked in	Nature of transaction	Face value (₹)	Issue/ Acquisition price per Equity Share (₹)	Percentage of pre-Issue paid-up Equity Share capital	Percentage of post-Issue paid-up Equity Share capital
Alukkas Varghese Joy	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]

* Subject to finalisation of Basis of Allotment

(1) All Equity Shares were fully paid-up at the time of allotment/acquisition

- (iii) Our Company undertakes that the Equity Shares that are being locked-in are not ineligible for computation of Promoter’s contribution in terms of Regulation 15 of the SEBI ICDR Regulations. For details of the build-up of the share capital held by our Promoter, see “- Build-up of the shareholding of our Promoter in our Company” on page 70.
- (iv) In this connection, we confirm the following:
- The Equity Shares offered for Promoter’s contribution do not include Equity Shares acquired in the three immediately preceding years (a) for consideration other than cash and revaluation of assets or capitalisation of intangible assets was involved in such transaction; or (b) resulting from bonus issue by utilisation of revaluation reserves or unrealised profits of our Company or resulted from bonus issue against Equity Shares which are otherwise ineligible for computation of Promoter’s contribution.
 - Our Promoter’s contribution does not include any Equity Shares acquired during the immediately preceding year at a price lower than the price at which the Equity Shares are being offered to the public in the Issue.
 - Our Company has not been formed by the conversion of a partnership firm or a limited liability partnership firm into a Company.

- d. As on the date of this DRHP, Equity Shares held by our Promoter and offered for Promoter's contribution are not subject to any pledge.
- e. All the Equity Shares held by our Promoter are held in dematerialised form.

10. **Other lock-in requirements:**

- (i) In addition to the 20% of the fully diluted post-Issue shareholding of our Company held by our Promoter locked in for 18 months as specified above, the entire pre-Issue Equity Share capital of our Company will be locked-in for a period of six months from the date of Allotment.
- (ii) Our Promoter has agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner, our Promoter's contribution from the date of filing this Draft Red Herring Prospectus, until the expiry of the lock-in 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.
- (iii) There shall be a lock-in of 90 days on 50% of the Equity Shares allotted to the Anchor Investors from the date of Allotment, and a lock-in of 30 days on the remaining 50% of the Equity Shares allotted to the Anchor Investors from the date of Allotment.*

** Note: Effective from April 1, 2022, if the Bid/Issue Opening Date is on or after April 1, 2022.*

- (iv) The Equity Shares held by any person other than our Promoter and locked-in for a period of six months from the date of Allotment in the Issue 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 such transferees shall not be eligible to transfer until the expiry of the lock-in period) and compliance with the Takeover Regulations.
- (v) In terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by our Promoter and locked in as per Regulation 16 of the SEBI ICDR Regulations may be transferred to and among our Promoter and/or any member of the Promoter Group or a new promoter or persons in control of our Company, subject to continuation of lock-in in the hands of the transferee for the remaining period and compliance with provisions of the 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.
- (vi) The Equity Shares held by our Promoter which are locked-in for a period of 18 months from the date of Allotment 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(a) of the SEBI ICDR Regulations, provided that such loans have been granted for the purpose of financing one or more of the objects of the Issue and pledge of the Equity Shares is a term of sanction of such loans.
- (vii) The Equity Shares held by our Promoter which are locked-in for a period of six months from the date of Allotment 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(b) of the SEBI ICDR Regulations and in terms of sanction of such loans.
- (viii) 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.

- 11. None of the BRLMs or their respective associates (as defined under the SEBI Merchant Bankers Regulations) hold any Equity Shares in our Company as on the date of this Draft Red Herring Prospectus. The BRLMs and their affiliates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation.
- 12. All Equity Shares issued pursuant to the Issue will be fully paid up at the time of Allotment.
- 13. There are no partly paid up Equity Shares as on the date of this Draft Red Herring Prospectus.
- 14. As on the date of the filing of this Draft Red Herring Prospectus, the total number of our Shareholders is seven.

15. Our Company, our Directors or the BRLMs have not made any or entered into any buy-back arrangements for purchase of Equity Shares.
16. Except for the Equity Shares allotted pursuant to the Issue, there will be no further issue of Equity Shares whether by way of issue of bonus shares, rights issue, preferential issue or any other manner during the period commencing from the date of filing of this Draft Red Herring Prospectus until the listing of the Equity Shares on the Stock Exchanges pursuant to the Issue or refund of application monies.
17. Our Company presently does not intend or propose to alter its capital structure for a period of six months from the Bid/ Issue 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, directly or indirectly for Equity Shares) whether on a preferential basis or by way of issue of bonus shares or on a rights basis or by way of further public issue of Equity Shares or qualified institutions placements or otherwise.
18. There are no outstanding convertible securities or any warrant, option or right to convert a debenture, loan or other instrument which would entitle any person any option to receive Equity Shares, as on the date of this Draft Red Herring Prospectus.
19. Our Company shall ensure that any transactions in the Equity Shares by our Promoter and members of the Promoter Group during the period between the date of filing of this Draft Red Herring Prospectus and the date of closure of the Issue shall be reported to the Stock Exchanges within 24 hours of the transactions.
20. Our Promoter and Promoter Group shall not participate in the Issue.
21. **Employee Stock Option Scheme**
As on the date of this Draft Red Herring Prospectus, our Company does not have an employee stock option plan.

OBJECTS OF THE ISSUE

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

1. Repayment or pre-payment, in full or part, of certain borrowings availed by our Company;
2. Financing the opening of eight new showrooms (“**New Showrooms**”); and
3. General corporate purposes.

The main objects and objects incidental and ancillary to the main objects set out in the Memorandum of Association enable us to undertake (i) our existing business activities; and (ii) the activities proposed to be funded from the Net Proceeds, as well as the activities towards which the loans proposed to be repaid from the Net Proceeds were utilised.

Further, our Company expects to receive the benefits of listing the Equity Shares on the Stock Exchanges, including, to enhance our brand image and visibility amongst our existing and potential customers and creation of a public market for our Equity Shares in India.

Net Proceeds

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

Particulars	Estimated amount ⁽¹⁾
Gross proceeds of the Issue	23,000.00
(Less) Issue expenses	[●]
Net Proceeds of the Issue	[●]

⁽¹⁾ To be finalised upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC.

Utilisation of Net Proceeds

The Net Proceeds are proposed to be utilised in accordance with the details provided in the following table:

Particulars	Amount
Repayment or pre-payment, in full or part, of certain borrowings availed by our Company	14,000.00
Financing the opening of the New Showrooms	4,639.00
General corporate purposes ⁽¹⁾	[●]
Total	[●]

⁽¹⁾ To be finalised upon determination of the Issue 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 of the Issue.

Proposed schedule of implementation and deployment of Net Proceeds

We propose to deploy the Net Proceeds towards the objects in accordance with the estimated schedule of implementation and deployment of funds, as set forth in the table below:

Particulars	Total estimated costs	Estimated utilisation from Net Proceeds ⁽¹⁾	Estimated schedule of deployment of Net Proceeds in	
			Fiscal 2023	Fiscal 2024
Repayment or pre-payment, in full or part, of certain borrowings availed by our Company	14,000.00	14,000.00	14,000.00	-
Financing the opening of the New Showrooms	4,923.05 ⁽²⁾	4,639.00	2,404.00	2,235.00
General corporate purposes ⁽¹⁾	[●]	[●]	[●]	[●]
Total	[●]	[●]	[●]	[●]

⁽¹⁾ To be finalised upon determination of the Issue 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 of the Issue.

⁽²⁾ The total estimated cost towards financing the opening of the New Showrooms is ₹4,923.05 million. Our Company proposes to utilise ₹4,639.00 million from the Net Proceeds towards this object and the remaining amount of ₹284.05 million either has been funded or will be funded from our internal accruals in the following manner (i) ₹58.67 million towards payment of rental deposits pursuant to leave and license agreements, lease deeds and memoranda of understanding (“**MoU**”), as applicable entered into by our Company; and (ii) ₹225.38 million towards capital expenditure (which, inter alia, includes interior designs, purchase of movable assets etc.), for the New Showrooms proposed to be opened in Fiscal 2023 and Fiscal 2024. Out of the amount of ₹58.67 million which was earmarked towards the payment of rental deposits from our internal accruals, our Company has already paid an amount of ₹36.70 million as on the date of this DRHP.

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 management estimates, current 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, diamonds, silver and/or other precious stones, 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 allocation of funds from its planned allocation at the discretion of our management, subject to compliance with applicable law. For details see, “*Risk Factors – Any variation in the utilisation of the Net Proceeds from the Issue as disclosed in this Draft Red Herring Prospectus shall 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 45 and 45, respectively.

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 (subject to utilisation towards general corporate purposes not exceeding 25% of the gross proceeds from the Issue), if any, available in respect of the other objects for which funds are being raised pursuant to the Issue. In the event of any increase in the actual utilisation of funds beyond those earmarked for the objects set forth above, such additional funds for a particular activity will be met by way of means available to us, including from internal accruals and/or debt arrangements with existing and future 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 Issue

1. Repayment/ pre-payment, in part or full, of certain borrowings, availed by our Company

Our Company has entered into various financing arrangements with banks and financial institutions. The loan facilities availed by our Company includes borrowing in the form of, *inter alia*, short term loans, cash credit and overdraft facilities, term loans amongst others. For further details, see “*Financial Indebtedness*” on page 282.

As at February 28, 2022, the total outstanding indebtedness was ₹15,244.65 million. Our Company proposes to utilise an estimated amount of ₹14,000.00 million from the Net Proceeds towards full or partial repayment or pre-payment of certain borrowings availed by our Company and accrued interest thereon.

The selection of borrowings proposed to be prepaid or repaid amongst our borrowing arrangements availed will be based on various factors, including (i) cost of the borrowing, including applicable interest rates, the amount of the loan outstanding and the remaining tenor of the loan (ii) any conditions attached to the borrowings restricting our ability to prepay/ repay the borrowings and time taken to fulfil, or obtain waivers for fulfilment of such conditions and presence of other onerous conditions, (iii) receipt of consents for prepayment from the respective lenders, (iv) terms and conditions of such consents and waivers, (v) levy of any prepayment penalties and the quantum thereof, (vi) provisions of any laws, rules and regulations governing such borrowings, and (vii) other commercial considerations.

Given the nature of these borrowings and the terms of repayment, the aggregate outstanding amounts under these borrowings may vary from time to time and our Company may, in accordance with their respective repayment schedules, repay or refinance some of its existing borrowings prior to Allotment. Our Company may avail further loans and/ or draw down further funds under existing loans. Accordingly, in case any of the below loans are pre-paid or further drawn down prior to the completion of the Issue, we may utilise the Net Proceeds towards repayment/pre-payment of such additional indebtedness. However, the aggregate amount to be utilised from the Net Proceeds towards prepayment or repayment of borrowings (including refinanced or additional facilities availed, if any), in full or part, would not exceed ₹14,000.00 million. We believe that such repayment/ pre-payment will help reduce our outstanding indebtedness, debt servicing costs and enable utilisation of our accruals for further investment in the growth and expansion of our business. Additionally, we believe that such reduction of our outstanding indebtedness will improve our ability to raise further resources in the future to fund our potential business development opportunities and plans to grow and expand our business.

The following table provides details of borrowings availed by our Company, which are currently proposed to be fully or partially repaid or pre-paid up to the extent of ₹14,000.00 million from the Net Proceeds:

Name of bank/ financial institution [§]	Nature of borrowing [§]	Principal loan amount sanctioned as on February 28, 2022 (₹ in million) [§]	Principal loan amount disbursed as on February 28, 2022 (₹ in million) [§]	Balance amount outstanding as on February 28, 2022 (₹ in million) [§]	Interest rate (% per annum) [§]	Repayment schedule [§]	Purpose for which disbursed loan amount was utilized [§]	Pre-payment penalty [§]
Standard Chartered Bank Limited	Short term facility	950.00	140.00	140.00	7.60	90 days	Working capital	Break costs and prepayment fee of 2% on the amount prepaid
	Short term facility		50.00	50.00	7.60	90 days	Working capital	
	Short term facility		200.00	200.00	7.60	90 days	Working capital	
	Short term facility		225.00	225.00	7.60	86 days	Working capital	
	Short term facility		190.00	190.00	7.60	85 days	Working capital	
	Short term facility		145.00	145.00	7.60	88 days	Working capital	
State Bank of India	Short term facility	2,500.00	250.00	251.11*	7.60	90 days	Working capital	2.00 % of the pre-paid amount. Prepayment charges will not be levied if pre-payment is at the instance of lenders or incase payment has been made from cash sweep/insurance proceeds
	Short term facility		280.00	281.28*	7.60	90 days	Working capital	
	Short term facility		250.00	250.74*	7.60	90 days	Working capital	
	Short term facility		250.00	251.46*	7.60	90 days	Working capital	
	Short term facility		250.00	251.42*	7.60	90 days	Working capital	
	Short term facility		250.00	251.46*	7.60	90 days	Working capital	
	Short term facility		250.00	251.46*	7.60	90 days	Working capital	
	Short term facility		250.00	250.32*	7.60	90 days	Working capital	
	Short term facility		250.00	250.95*	7.60	90 days	Working capital	
	Short term facility		210.00	211.22*	7.60	90 days	Working capital	
	Cash credit		10.00	1.49	7.90	On demand	Working capital	
Union Bank of India	Short term facility	1,250.00	300.00	300.00	7.90	30 days	Working capital	Nil
	Short term facility		300.00	300.00	7.90	30 days	Working capital	
	Short term facility		200.00	200.00	7.90	30 days	Working capital	
	Short term facility		450.00	0.00	-	-	Working capital	
Dhanlaxmi Bank Limited	Short term facility	600.00	300.00	300.00	7.85	90 days	Working capital	If prepayment is made Within six months of initial sanction – 1% of the limit If prepayment is made above 6 months of initial sanction and review renewal accounts - Nil if closed with own funds - If takeover, 1% of the limit
	Short term facility		100.00	100.00	7.85	90 days	Working capital	
	Short term facility		200.00	200.00	7.95	90 days	Working capital	
IndusInd Bank Limited	Short term facility	750.00	250.00	250.00	7.80	90 days	Working capital	Nil
	Short term facility		250.00	250.00	7.80	90 days	Working capital	
	Short term facility		250.00	250.00	7.80	90 days	Working capital	

Name of bank/ financial institution [§]	Nature of borrowing [§]	Principal loan amount sanctioned as on February 28, 2022 (₹ in million) [§]	Principal loan amount disbursed as on February 28, 2022 (₹ in million) [§]	Balance amount outstanding as on February 28, 2022 (₹ in million) [§]	Interest rate (% per annum) [§]	Repayment schedule [§]	Purpose for which disbursed loan amount was utilized [§]	Pre-payment penalty [§]
ICICI Bank Limited	Short term facility	400.00	100.00	100.00	7.55	90 days	Working capital	Prepayment premium of 0.25% on principal amount of the loan prepaid
	Short term facility		100.00	100.00	7.55	90 days	Working capital	
	Short term facility		40.00	0.00	-	-	Working capital	
	Cash credit		160.00	81.50	8.56	On demand	Working capital	
ICICI Bank Limited	Short term facility	250.00	250.00	250.00	7.55	90 Days	Working capital	Prepayment premium of 0.25% on principal amount of the loan prepaid
YES Bank Limited	Short term facility	650.00	100.00	100.00	7.50	90 days	Working capital	Nil
	Short term facility		100.00	100.00	7.50	90 days	Working capital	
	Short term facility		250.00	250.00	7.50	90 days	Working capital	
	Short term facility		200.00	200.00	7.50	90 days	Working capital	
IDBI Bank Limited	Short term facility	750.00	150.00	150.00	7.80	90 days	Working capital	Nil
	Short term facility		150.00	150.00	7.80	90 days	Working capital	
	Short term facility		250.00	250.00	7.80	90 days	Working capital	
	Short term facility		125.00	125.00	7.80	90 days	Working capital	
	Cash credit		75.00	0.58	8.40	On demand	Working capital	
Bank of Baroda	Short term facility	500.00	250.00	249.99	7.80	90 days	Working capital	Nil
	Short term facility		250.00	250.00	7.80	90 days	Working capital	
Doha Bank QPSC	Short term facility	450.00	250.00	250.00	7.40	90 days	Working capital	Nil
	Short term facility		200.00	200.00	7.50	90 days	Working capital	
Canara Bank	Short term facility	1,000.00	300.00	300.00	8.50	90 days	Working capital	2% of the prepaid amount
	Short term facility		200.00	200.00	8.50	90 days	Working capital	
	Short term facility		150.00	150.00	8.50	90 days	Working capital	
	Short term facility		350.00	0.00	-	-	Working capital	
HDFC Bank Limited	Short term facility	600.00	99.00	99.00	7.10	90 days	Working capital	4% of the loan outstanding if not paid from internal accrual
	Short term facility		66.67	66.67	6.95	180 days	Working capital	
	Short term facility		133.33	133.33	6.95	180 days	Working capital	
	Short term facility		134.30	134.30	7.10	90 days	Working capital	
	Short term facility		33.30	33.30	6.95	90 days	Working capital	
	Short term facility		133.33	133.33	6.95	180 days	Working capital	
	Short term facility		0.07	0.00	-	-	Working capital	
HDFC Bank Limited	Short term facility	1,500.00	150.00	150.00	6.95	180 Days	Working capital	2% of the limit outstanding
	Short term facility		150.00	150.00	7.10	180 Days	Working capital	
	Short term facility		200.00	200.00	7.10	180 Days	Working capital	
	Short term facility		280.00	280.00	7.10	160 Days	Working capital	

Name of bank/ financial institution [§]	Nature of borrowing [§]	Principal loan amount sanctioned as on February 28, 2022 (₹ in million) [§]	Principal loan amount disbursed as on February 28, 2022 (₹ in million) [§]	Balance amount outstanding as on February 28, 2022 (₹ in million) [§]	Interest rate (% per annum) [§]	Repayment schedule [§]	Purpose for which disbursed loan amount was utilized [§]	Pre-payment penalty [§]
	Short term facility		200.00	200.00	7.10	180 Days	Working capital	
	Short term facility		33.34	33.34	7.35	180 Days	Working capital	
	Short term facility		33.58	33.58	7.35	180 Days	Working capital	
	Short term facility		8.33	8.33	7.35	180 Days	Working capital	
	Short term facility		150.00	50.00	7.25	180 Days	Working capital	
	Short term facility		294.75	0.00	-	-	Working capital	
RBL Bank Limited	Short term facility	630.00	200.00	200.00	7.80	80 days	Working capital	Nil
	Short term facility		200.00	200.00	7.80	90 days	Working capital	
	Short term facility		230.00	0.00	-	-	Working capital	
Bank of India	Short term facility	500.00	250.00	250.00	8.05	90 days	Working capital	Nil
	Short term facility		250.00	250.00	8.05	90 days	Working capital	
Bank of Bahrain and Kuwait BSC	Short term facility	300.00	150.00	150.00	7.85	90 days	Working capital	Nil
	Short term facility		150.00	0.00	-	-	Working capital	
ICICI Bank Limited	Vendor bill discounting (“VBD”) facility	1,000.00	1000.00	837.10	-	-	Bill discounting	Nil
IDBI Bank Limited	VBD facility	500.00	500.00	471.08	-	-	Bill discounting	Nil
Receivables Exchange of India Limited	VBD facility	347.00	347.00	365.98	-	-	Bill discounting	Nil
A.Treds Limited	VBD facility	818.00	818.00	904.71	-	-	Bill discounting	Nil
Mynd Solutions Private Limited	VBD facility	190.00	190.00	77.44	-	-	Bill discounting	Nil
HDFC Bank Limited	Term loan	82.50	82.50	35.47	8.00	3.75 years	Capital expenditure requirement	2% of the amount closed
HDFC Bank Limited	Term loan	17.50	17.50	8.02	8.00	4 years	Capital expenditure requirement	
HDFC Bank Limited	Term loan	150.00	150.00	31.26	8.20	5 years	For meeting the capital expenditure of the company	Nil if the loan is closed using company owned funds 2% foreclosure charges applicable if the loan is taken over by any other bank / financial institution
HDFC Bank Limited	Term loan	250.00	250.00	140.63	8.60	4 years	Reimbursement of capital expenditure including rental security deposit	4% of the loan outstanding if not paid from internal accrual
ICICI Bank Limited	Term loan	250.00	250.00	250.00	7.90	5 years	Capital expenditure	1% on the amount of

Name of bank/ financial institution [§]	Nature of borrowing [§]	Principal loan amount sanctioned as on February 28, 2022 (₹ in million) [§]	Principal loan amount disbursed as on February 28, 2022 (₹ in million) [§]	Balance amount outstanding as on February 28, 2022 (₹ in million) [§]	Interest rate (% per annum) [§]	Repayment schedule [§]	Purpose for which disbursed loan amount was utilized [§]	Pre-payment penalty [§]
							requirement	principal of the facility prepaid
ICICI Bank Limited	Term loan	500.00	453.00	162.29	8.05	5 years	For meeting the capital expenditure of the company	Prepayment premium of 1.0% on principal amount of the loan prepaid
	Term loan		47.00	19.35	8.05	4.25 years		
State Bank of India	Term loan	250.00	250.00	26.19**	6.95	2 years	To meet the temporary liquidity mismatch arising out of Covid-19.	Nil
Canara Bank Limited	Term loan	100.00	100.00	38.90	7.85	2 years	To meet the temporary liquidity mismatch arising out of COVID-19 outbreak	Nil
Tata Capital Financial Services Limited	Term loan	420.00	420.00	55.86	11.75	3 years	Towards long term fund infusion in the business	1.00% on the amount prepaid
Tata Capital Financial Services Limited	Term loan	250.00	250.00	5.21	11.00	4 years	General corporate purposes	2.00% on the amount prepaid
TOTAL		18,705.00	18,705.00	15,244.65				

[§]As certified by the Statutory Auditors of our Company, MSKA & Associates, pursuant to their certificate dated March 25, 2022

* Short term facility balance outstanding as on February 28, 2022 in State Bank of India includes interest accrued of ₹11.42 million.

** Term loan balance outstanding as on February 28, 2022 in State Bank of India includes interest accrued of ₹0.19 million.

In the event that there are any prepayment penalties required to be paid under the terms of the relevant financing agreements, such prepayment penalties shall be paid by our Company out of its internal accruals. We will also take such provisions into consideration while selecting the borrowings proposed to be repaid/prepaid out of the Net Proceeds.

2. Financing the opening of the New Showrooms

Our Company proposes to utilise a portion of the Net Proceeds i.e., ₹4,639.00 million, towards the purchase of inventory for the eight New Showrooms that are proposed to be opened during Fiscal 2023 and Fiscal 2024.

We operate 85 showrooms under the “Joyalukkas” brand located across 68 cities in India with an aggregate area of approximately 344,458 square feet, as of January 31, 2022. Of these 85 showrooms, six are large-format showrooms (with an area of 8,000 square feet or more), including our largest showroom at Chennai, Tamil Nadu that has an area of over 13,000 square feet. We maintain an inventory of jewellery made of gold, diamond and other precious stones, platinum and silver, all with an extensive array of designs. Our gold, diamond and other jewellery inventory in each individual showroom reflects regional customer preferences and designs.

As a part of our business strategy, we intend to leverage the scalability of our operations and expertise in developing the branded jewellery market in India to grow our network in existing and newer geographies. We are currently present in most parts of the southern region and intend to deepen our penetration in such regions, where there could be potential for further expansion due to the demand of jewellery in the region. We intend to open eight new showrooms across India with a particular focus on the state of Telangana, Maharashtra, Odisha and Karnataka in Fiscals 2023 and 2024. For further details, see “*Our Business – Our Strategies*” on page 136.

Our Board pursuant its meeting held on December 8, 2021 approved a total estimated cost aggregating ₹4,923.05 million towards the opening of the New Showrooms of which ₹4,639.00 million is proposed to be funded from the Net Proceeds towards this object, and the remaining estimated cost of ₹284.05 million will be funded from our internal accruals in the following manner (i) ₹58.67 million towards payment of rental deposits pursuant to various leave and license agreements, lease deeds and MoUs, as applicable entered into by our Company; and (ii) ₹ 225.38 million towards capital expenditure (which, *inter alia* includes interior designs, purchase of movable assets etc.), for the New Showrooms proposed to be opened in Fiscal 2023 and Fiscal 2024. Out of the amount of ₹58.67 million which was earmarked towards the payment of rental deposits from our internal accruals, our Company has already paid an amount of ₹36.70 million as on the date of this DRHP.

New Showrooms proposed be opened in Fiscal 2023 and Fiscal 2024

Our Company has identified the cities/ locations in respect of the New Showrooms proposed to be opened on Fiscal 2023 and Fiscal 2024. We typically occupy the premises for our showrooms on a leasehold/ leave and license basis. The premises for the proposed New Showrooms, will be taken on lease or on the basis of leave and license agreements. The built-up area of our proposed New Showrooms, range between 4,590 square feet and 7,307 square feet.

We have entered into either leave and license agreements, lease deeds and/ or MoUs in relation to such New Showrooms. Certain details in relation to the New Showrooms proposed to be opened and the proposed year of opening are set out below:

S. No.	Location		Net estimated built-up area to be occupied by the New Showroom (in square feet)	Particulars
	City	State		
Fiscal 2023				
1.	Mumbai	Maharashtra	4,590.00	(i) Leave and license agreement dated September 16, 2021 executed between our Company and Mahavir P. Jain (for the ground floor of the premises); and (ii) leave and license agreement dated September 16, 2021 executed between our Company and Kaveri Gold (for the first floor of the premises)
2.	Habsiguda	Telangana	7,280.00	Lease deed dated March 10, 2022 executed between our Company, Nadella Lakshmi and Nadella Rama Mohana
3.	Mehdipatnam	Telangana	4,750.00	MoU dated November 2, 2021 executed between our Company, Mohammed Muntajib Ansari
4.	Bhubaneswar	Odisha	7,307.00	MoU dated December 10, 2021 executed between our Company, Meera Kanungo, Priya Kanungo and Shuvam Construction Private Limited

S. No.	Location		Net estimated built-up area to be occupied by the New Showroom (in square feet)	Particulars
	City	State		
Fiscal 2024				
1.	Siddipet	Telangana	5,418.00	MoU dated October 12, 2021 executed between our Company, Uma Vyankatesh Kala or Bandi Uma Goud, Bandi Nagesh Goud and Bandi Rakesh Goud
2.	Suchitra	Telangana	5,203.00	MoU dated December 8, 2021 executed between our Company, Ashok Kapoor, Meenu Kapoor, Chanda Naga Rani and Chanda Naga Sai Havish
3.	Gulbarga	Karnataka	5,474.00	MoU dated January 6, 2021 executed between our Company, M. Narayanamma Naidu, Chandrashekhar Naidu and Janardhan Naidu, read with the amendment agreement dated January 7, 2021, executed between the aforementioned parties.
4.	Chandanagar	Telangana	7,120.00	MoU dated October 28, 2021 executed between our Company, Ramesh Patel, Diraj Lal Patel, Keshav Lal Patel, Laxmiben Patel, G. Vengala Rao, A. Sachin Chowdary and ACE Ventures India Private Limited.

In case of any surplus after utilisation of the Net Proceeds towards financing the opening of the New Showrooms in the scheduled Fiscal as set out in this section, the surplus amount of Net Proceeds earmarked towards this object shall be utilised in subsequent Fiscals, as may be decided by our Company and subject to applicable law. If due to delay in the Issue or other factors, the Company is unable to utilise the Issue proceeds for any of the abovementioned eight New Showrooms, then the Company may use the Issue Proceeds or any part of it for financing of other new showrooms to be opened by our Company at certain new identified locations. Further, if the Net Proceeds are not completely utilised for the aforesaid object due to factors such as (i) economic and business conditions; (ii) timely completion of the Issue; (iii) market conditions outside the control of our Company; and (iv) any other commercial considerations, the remaining Net Proceeds for the aforesaid object shall be utilised (in part or full) in subsequent periods as may be determined by our Company, which may include *inter alia* financing of other new showrooms to be opened by our Company at certain new identified locations, in accordance with applicable laws. For further details, see “-Proposed schedule of implementation and deployment of Net Proceeds” on page 76.

Estimated cost

Out of the total estimated cost of ₹4,923.05 million towards financing the opening of the New Showrooms, our Company proposes to utilise ₹4,639.00 million from the Net Proceeds towards this object and the remaining amount of ₹284.05 million either has been funded or will be funded from our internal accruals in the following manner (i) ₹58.67 million towards payment of rental deposits pursuant to leave and license agreements, lease deeds and MoUs, as applicable, entered into by our Company; and (ii) ₹ 225.38 million towards capital expenditure (which, *inter alia*, includes interior designs, purchase of movable assets etc.), for the New Showrooms proposed to be opened in Fiscal 2023 and Fiscal 2024. Out of the amount of ₹58.67 million which was earmarked towards the payment of rental deposits from our internal accruals, our Company has already paid an amount of ₹36.70 million as on the date of this DRHP.

Estimated inventory cost for New Showrooms proposed to be opened in Fiscal 2023 and Fiscal 2024

The break-down of total estimated inventory cost for New Showrooms to be opened in Fiscal 2023 and Fiscal 2024 is set out below:

S. No.	Location	Inventory ⁽¹⁾ (in ₹ million)
Fiscal 2023		
1.	Mumbai, Maharashtra	662.50
2.	Habsiguda, Telangana	497.50
3.	Mehdipatnam, Telangana	560.00
4.	Bhubaneswar, Odisha	684.00
Sub-total (A)		2,404.00
Fiscal 2024		
5.	Siddipet, Telangana	497.50
6.	Suchitra, Telangana	545.00
7.	Gulbarga, Karnataka	632.50
8.	Chandanagar, Telangana	560.00

S. No.	Location	Inventory⁽¹⁾ (in ₹ million)
Sub-total (B)		2,235.00
Total amount to be utilised from the Net Proceeds (A+B)		4,639.00

(1) As certified by the Independent Chartered Accountant pursuant to certificate dated March 25, 2022

Inventory costs comprises of showroom inventory required for commencing sales from the New Showrooms. We typically stock our showrooms with sufficient inventory comprising of gold, diamond, platinum, silver and other precious ornaments. The estimated cost of the inventory has been calculated based on (i) size and location of the New Showrooms; (ii) the average cost incurred towards showroom inventory (a) at the time of setting up other new comparable showroom(s); (b) on a recent date, after making necessary adjustments based on Company's expectations and market review; and (c) estimated inventory required in the existing comparable showrooms situated in close proximity with the New Showrooms, the cost of inventory for a new showroom opened by us ranges from ₹497.50 million to ₹684.00 million.

A break-up of the estimated cost towards inventory expenditure requirements in respect of the New Showrooms to be opened in Fiscal 2023 and Fiscal 2024, based on our internal estimates is as follows:

Sl. No.	Location	Gold			Diamond/Precious/Platinum ^{\$@}			Silver			Total inventory value (in ₹ million)*
		Quantity (in kg.)*	Estimated value per kg. (in ₹ million) ^{^**@}	Total estimated value (in ₹ million)*	Total estimated diamond ornaments value (in ₹ million)*	Total estimated precious ornaments (in ₹ million)*	Total estimated platinum ornaments (in ₹ million)*	Quantity (in kg.)*	Estimated value per kg. (in ₹ million) ^{&**@}	Total Estimated value (in ₹ million)*	
Fiscal 2023											
1.	Mumbai, Maharashtra	90.00	4.75	427.50	180.00	50	5.00	-	-	-	662.50
2.	Habsiguda, Telangana	70.00	4.75	332.50	80.00	70.00	5.00	125.00	0.08	10.00	497.50
3.	Mehdipatnam, Telangana	80.00	4.75	380.00	90.00	75.00	5.00	125.00	0.08	10.00	560.00
4.	Bhubaneswar, Odisha	100.00	4.75	475.00	130.00	65.00	5.00	112.50	0.08	9.00	684.00
Fiscal 2024											
5.	Siddipet, Telangana	70.00	4.75	332.50	80.00	70.00	5.00	125.00	0.08	10.00	497.50
6.	Suchitra, Telangana	80.00	4.75	380.00	80.00	70.00	5.00	125.00	0.08	10.00	545.00
7.	Gulbarga, Karnataka	90.00	4.75	427.50	120.00	70.00	7.00	100.00	0.08	8.00	632.50
8.	Chandanagar, Telangana	80.00	4.75	380.00	90.00	75.00	5.00	125.00	0.08	10.00	560.00
Total											4,639.00

*As per the certificate dated March 25, 2022 from the Independent Chartered Accountant.

^As on March 18, 2022

&As on March 9, 2022

@ Differences in the estimated value arising out of fluctuations in prices of gold, diamond, platinum, precious stones and silver, resulting in an increased total estimated value shall be paid out of our internal accruals. In case of differences in the estimated value arising out of fluctuations in the prices of gold, diamond, platinum, precious stones and silver, resulting in a decrease in the total estimated value, the Company shall proportionately increase the quantity of such inventory to meet the total estimated value disclosed herein.

\$ Prices are dependent on various qualitative factors, inter alia, quality, carat, clarity of diamond, precious ornaments and platinum ornaments.

Government Approvals

Our showrooms have to be registered under the shops and establishments legislations of the states where they are located. We will apply for such approvals in the ordinary course and in accordance with applicable laws. For details of laws applicable and approvals required for our showrooms see “Key Regulations and Policies” and “Government and Other Approvals” at pages 147 and 298, respectively.

3. General corporate purposes

Our Company proposes to deploy the balance Net Proceeds aggregating to ₹[●] million (net of the expenses in relation to the Issue) towards general corporate purposes, subject to such utilisation not exceeding 25% of the gross proceeds of the Issue, in compliance with Regulation 7(2) of the SEBI ICDR Regulations. The general corporate purposes for which our Company proposes to utilise the Net Proceeds include strategic initiatives, meeting our long term and short term working capital requirements, marketing, advertising expenditures and business development expenses, expansion of facilities, payment of salaries and allowances, rent, administration, insurance, repairs and maintenance, payment of taxes, duties and meeting expenses incurred by our Company in the ordinary course of business. In addition to the above, our Company may utilise the Net Proceeds towards other expenditure (in the ordinary course of business) considered expedient and as approved periodically by the Board or a duly constituted committee thereof, subject to compliance with necessary provisions of the Companies Act or other applicable laws.

The quantum of utilisation of funds towards each of the above purposes will be determined by our Board, based on the amount actually available under this head and the business requirements of our Company, from time to time. Our Company’s management, in accordance with the policies of the Board, shall have flexibility in utilising surplus amounts, if any. In the event that we are unable to utilise the entire amount that we have currently estimated for use out of Net Proceeds in a Fiscal, we will utilise such unutilised amount in the next Fiscal.

Issue related expenses

The total expenses of the Issue are estimated to be approximately ₹[●] million. The Issue related expenses include, among others, listing fees, selling commission and brokerage, fees payable to the BRLMs, fees payable to legal counsel, fees payable to the Registrar to the Issue, Escrow Collection Bank(s) and Sponsor Banks to the Issue, processing fee to the SCSBs for processing application forms, brokerage and selling commission payable to members of the Syndicate, Registered Brokers, Monitoring Agency, RTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges.

All expenses in relation to the Issue shall be borne by our Company. The estimated Issue related expenses are as under:

Activity	Estimated expenses ⁽¹⁾ (in ₹ million)	As a % of the total estimated Issue expenses ⁽¹⁾	As a % of the total Issue size ⁽¹⁾
BRLMs’ fees and commissions (including underwriting commission, brokerage and selling commission)	[●]	[●]	[●]
Selling commission/processing fee for SCSBs, Sponsor Banks and fee payable to the Sponsor Banks for Bids made by RIBs ⁽²⁾⁽⁴⁾	[●]	[●]	[●]
Brokerage and selling commission and bidding charges for members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, RTAs and CDPs ⁽³⁾	[●]	[●]	[●]
Fees payable to the Registrar to the Issue	[●]	[●]	[●]
Fees payable to the other advisors to the Issue	[●]	[●]	[●]
Others			
- Listing fees, SEBI filing fees, upload fees, BSE and NSE processing fees, book building software fees and other regulatory expenses	[●]	[●]	[●]
- Printing and stationery	[●]	[●]	[●]
- Advertising and marketing expenses	[●]	[●]	[●]
- Fee payable to legal counsels	[●]	[●]	[●]
- Miscellaneous	[●]	[●]	[●]
Total estimated Issue expenses	[●]	[●]	[●]

⁽¹⁾ Amounts will be finalised and incorporated in the Prospectus after determination of Issue Price

⁽²⁾ Selling commission payable to the SCSBs, members of the Syndicate (including their Sub-Syndicate Members), RTAs and CDPs which are directly procured by them 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 Issue Price.

Selling commission payable to the Registered Brokers on the portion for Retail Individual Bidders using the UPI Mechanism and the Non-Institutional Bidders, which are directly procured by the Registered Brokers and submitted to the SCSBs for processing, shall be ₹[●] per valid Bid cum Application Form (plus applicable taxes).

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.

- (3) *Bidding charges of ₹[●] (plus applicable taxes) shall be payable as per valid ASBA Form collected by the Syndicate, RTAs and CDPs (excluding applications made by Retail Individual Bidders using the UPI Mechanism). The terminal from which the Bid has been uploaded will be taken into account in order to determine the total bidding charges. No additional bidding charges shall be payable to the SCSBs on the Bid cum Application Forms directly procured by them.*
- (4) *Processing fees payable to the SCSBs for the Bid cum Application Forms which are procured by the Members of the Syndicate / Registered Brokers / RTAs / CDPs and submitted to the SCSBs for blocking shall be ₹[●] per valid Bid cum Application Form (plus applicable taxes).*

Processing fees for the applications made by the Retail Individual Bidders using the UPI Mechanism would be as follows:

<i>Members of the Syndicate / RTAs / CDPs</i>	<i>₹ [●] per valid Bid cum Application Form (plus applicable taxes).</i>
<i>Sponsor Banks</i>	<i>₹[●] per valid Bid cum Application Form (plus applicable taxes).</i> <i>The Sponsor Banks shall be responsible for making payments to the third parties such as the remitter bank, the NPCI and such other parties as required in connection with the performance of its duties under applicable SEBI circulars, agreements and other Applicable Law.</i>

The processing fees for applications made by RIBs 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.

Means of finance

The objects are proposed to be funded from the Net Proceeds and by utilising our internal accruals. Accordingly, we confirm that there is no requirement to make firm arrangements of finance under the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the Net Proceeds to be raised from the Issue and existing identifiable internal accruals, as prescribed under the SEBI ICDR Regulations.

Subject to applicable law, if the actual utilisation towards the objects is lower than the proposed deployment, the balance amount will be used for general corporate purposes, subject to the condition that the total amount to be utilised towards general corporate purposes will not exceed 25% of the gross proceeds of the Issue in accordance with the SEBI ICDR Regulations. In case of any shortfall in the requisite funds raised from the Net Proceeds or utilised from the internal accruals of our Company or any increase in the total estimated cost of the objects, business considerations may require us to explore a range of options including seeking additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls. Further, in case of variations in the actual utilisation of funds earmarked for the purpose set forth above, increased funding requirements for a particular purpose may be financed by surplus funds, if any, available in respect of other purposes for which funds are being raised in the Issue.

Interim use of Net Proceeds

Our Company, in accordance with the policies established by the Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilisation for the objects described above, our Company will deposit the Net Proceeds only with one or more scheduled commercial banks included in Second Schedule of Reserve Bank of India Act, 1934 as may be approved by our Board or IPO Committee.

In accordance with Section 27 of the Companies Act, 2013, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in the 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 bank or financial institution as on the date of this Draft Red Herring Prospectus, which are proposed to be repaid from the Net Proceeds.

Appraising Entity

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

Monitoring of utilisation of funds

Our Company will appoint a monitoring agency in accordance with Regulation 41 of the SEBI ICDR Regulations prior to the filing of the Red Herring Prospectus. Our Board and the monitoring agency will monitor the utilisation of the Net Proceeds, and submit the report required under Regulation 41(2) of the SEBI ICDR Regulations.

Our Audit Committee and the Monitoring Agency will monitor the utilisation 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 our balance sheet for such fiscal periods as required under the SEBI ICDR Regulations, the SEBI Listing Regulations and any other applicable laws or regulations, 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, for any amounts that have not been utilised. Our Company will indicate investments, if any, of unutilised Net Proceeds in the balance sheet of our Company for the relevant Fiscals subsequent to receipt of listing and trading approvals from the Stock Exchanges.

Pursuant to Regulation 18(3) and Regulation 32(3) of the Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Net Proceeds. Further, in terms of Regulation 32(6) of the Listing Regulations, our Company is required to submit to the Stock Exchange for any comments or report received from the Monitoring Agency, within 45 days from the end of each quarter. 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 auditor of our Company. Furthermore, in accordance with Regulation 32(1) of the 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 Issue from the objects of the Issue as stated above; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Issue from the objects of the Issue as stated above. The 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

In accordance with Sections 13(8) and 27 of the Companies Act and applicable rules, our Company shall not vary the objects of the Issue without our Company being authorised to do so by the Shareholders by way of a special resolution through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution ("**Postal Ballot Notice**") shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in Hindi, and one in Malayalam, Malayalam being the regional language of Kerala, where our Registered Office and Corporate Office is situated in accordance with the Companies Act and applicable rules. Our Promoter will be required to provide an exit opportunity to such Shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, in accordance with our AoA, and the SEBI ICDR Regulations.

Other confirmations

- (i) No part of the Net Proceeds will be paid by our Company as consideration to our Promoter and Promoter Group, the Directors, Key Managerial Personnel and Group Companies, except in the normal course of business and in compliance with applicable law.
- (ii) Our Company has not entered into and is not planning to enter into any arrangement/agreements with the Promoter, the Promoter Group, Directors, Key Managerial Personnel and Group Companies in relation to the utilisation of the Net Proceeds.
- (iii) There is no existing or anticipated interest of such individuals and entities in the objects of the Issue as set out above.
- (iv) The persons with whom our Company has entered into various MoUs or leave and license agreements, as applicable, for the New Showrooms, are not related to our Company, Promoter, the Promoter Group, Directors, Key Managerial Personnel and Group Companies.

BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company 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. As on date of this Draft Red Herring Prospectus, the face value of the Equity Shares is ₹10 each and the Issue Price is [●] times the Floor Price and [●] times the Cap Price, and Floor Price is [●] times the face value and the Cap Price is [●] times the face value. Investors should also see “Risk Factors”, “Summary of Financial Information”, “Our Business”, “Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 19, 56, 129, 182 and 246, respectively, to have an informed view before making an investment decision.

Qualitative Factors

- Established homegrown brand with robust sales and marketing strategy;
- Leading jewellery company in India and well positioned to capitalize on industry growth;
- Presence across India with a strong foothold in South India;
- Diversified product portfolio across categories and price points;
- Strong track record of growth, profitability and unit economics; and
- Experienced Promoter and management team with proven execution capabilities.

For details, see “Our Business – Strengths” on page 131.

Quantitative Factors

Some of the information presented below relating to our Company is derived from the Restated Financial Information. For details, see “Financial Statements” and “Other Financial Information” on pages 182 and 243, respectively.

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

A. Basic and Diluted Earnings Per Share (“EPS”):

Fiscal	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
March 31, 2021	6.12	6.12	3
March 31, 2020	0.53	0.53	2
March 31, 2019	1.51	1.51	1
Weighted Average*	3.49	3.49	
Six month period ended September 30, 2021	3.49	3.49	
Six month period ended September 30, 2020	3.23	3.23	

*Weighted average means weighted average diluted and basic earnings per share (“EPS”) derived from Restated Financial Information based on weights assigned for the respective year ends

NOTES:

Basic earnings per share (₹) =
$$\frac{\text{Restated profit for the year/period attributable to equity shareholders}}{\text{Weighted average number of equity shares in calculating basic EPS}}$$

Diluted earnings per share (₹) =
$$\frac{\text{Restated profit for the year/period attributable to equity shareholders}}{\text{Weighted average number of diluted equity shares in calculating diluted EPS}}$$

The weighted average basic and diluted EPS is a product of basic and diluted EPS and respective assigned weight, dividing the resultant by total aggregate weight.

Basic and diluted earnings per equity share are computed in accordance with Ind AS 33 ‘Earnings per share’, notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended).

B. Price/Earning (“P/E”) ratio in relation to Price Band of ₹[●] to ₹[●] per Equity Share:

Particulars	P/E at the Floor Price (no. of times)	P/E at the Cap Price (no. of times)
Based on basic EPS for the year ended March 31, 2021	[●]	[●]
Based on diluted EPS for the year ended March 31, 2021	[●]	[●]

Industry Peer Group P/E ratio

Particulars	Industry P/E (based on basic)	Industry P/E (based on diluted EPS)
Highest	157.62	157.62
Lowest	41.80	41.80
Average	99.71	99.71

Note:

- The industry high and low has been considered from the industry peer set provided later in this section. The industry composite has been calculated as the arithmetic average of P/E for industry peer set disclosed in this section. For further details, see “– Comparison with listed industry peers” on page 89
- For Industry P/E, P/E figures for the peer is computed based on closing market price as on March 31, 2021 at BSE, divided by Basic EPS on standalone basis based on annual report of the company for the year ended March 31, 2021 submitted to stock exchanges.

C. Return on Net worth (“RoNW”)

Fiscal	RoNW (%)	Weight
March 31, 2021	27.42	3
March 31, 2020	3.26	2
March 31, 2019	9.78	1
Weighted Average	16.43	
Six month period ended September 30, 2021*	13.54	
Six month period ended September 30, 2020*	16.61	

* unannualized

NOTES:

Restated profit after tax, attributable to equity shareholders

- Return on net worth (%) =
$$\frac{\text{Restated profit after tax, attributable to equity shareholders}}{\text{Net worth as restated at the end of year/period}}$$
- The weighted average return on net worth is a product of return on net worth and respective assigned weight, dividing the resultant by total aggregate weight.
- Net Worth = as defined under Regulation 2(1)(hh) of the SEBI ICDR Regulations, i.e., the aggregate value of the paid-up share capital and all reserves 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 as per the restated balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

D. Net Asset Value (“NAV”) per share

Fiscal/ Period ended	NAV (₹)
As on March 31, 2021	22.34
As on September 30, 2021	25.79
After the completion of the Issue	At the Floor Price: [●] At the Cap Price: [●]
Issue Price	[●]

NOTES:

- Issue Price per equity share will be determined on conclusion of the Book Building Process.
- Net asset value per Equity Share represents total equity attributable to the equity shareholders of our Company as at the end of the fiscal year/ period, as restated, divided by the number of Equity Shares outstanding at the end of the year/ period, after considering the impact of bonus issue effected during the half year ended September 30, 2021

E. Comparison with Listed Industry Peers

Fiscal 2021	EPS (₹)		NAV (per share) (₹)	P/E	RONW (%)
	Basic	Diluted			
Joyalukkas India Limited	6.12	6.12	22.34	[●]	27.42
Listed peers⁽¹⁾					
Titan Company Limited	9.88	9.88	84.87	157.62	11.61
Kalyan Jewellers India Limited	1.63	1.44	29.37	41.80	4.57

Note: The EPS, RONW and NAV figures for Joyalukkas India Limited are based on the restated financial information for the year ended March 31, 2021

⁽¹⁾Source: Annual report of the peer companies for the year ended March 31, 2021 submitted to stock exchanges

Note:

- All the financial information for listed industry peer mentioned above is on a standalone basis
- P/E ratio is calculated as closing share price as March 31, 2021, divided by the Basic EPS for year ended March 31, 2021
- EPS is the Basic EPS as reported in the annual report of the company for the year ended March 31, 2021
- Return on net worth (%) = Net profit (loss) after tax / Net worth at the end of the year
- Net asset value per Equity Share represents total equity attributable to the equity shareholders of our Company as at the end of the fiscal year/ period, as restated, divided by the number of Equity Shares outstanding at the end of the year/ period
- Net Worth = Net Worth as defined under Regulation 2(1)(hh) of the SEBI ICDR Regulations, i.e., the aggregate value of the paid-up share capital and all reserves 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 as per the restated balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

The peer group above has been determined on the basis of listed public companies comparable in size to our Company or whose business portfolio is comparable with that of our business.

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

The Issue Price of ₹[●] has been determined by our Company in consultation with the BRLMs, on the basis of market demand from investors for Equity Shares through the Book Building Process.

Investors should read the above mentioned information along with “*Risk Factors*”, “*Our Business*”, “*Financial Statements*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 19, 129, 182 and 246, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the “*Risk Factors*” beginning on page 19 and you may lose all or part of your investments.

STATEMENT OF SPECIAL TAX BENEFITS

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO JOYALUKKAS INDIA LIMITED, AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

The Board of Directors,

JOYALUKKAS INDIA LIMITED

Door No. 5/309-3,
Bishop Alapatt Road, Fathima Nagar,
Mission Quarters Thrissur,
Kerala 680005

Dear Sirs/Maam,

Statement of Special Tax Benefits available to Joyalukkas India Limited ('the Company'), and its shareholders under the applicable tax laws prepared in accordance with the requirements under Schedule VI – Part A - Clause (9)(L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ('the ICDR Regulations')

1. We, MSKA & Associates, statutory auditors of the Company, hereby confirm that the enclosed Annexures 1 and 2 (together, the "Annexures"), prepared by the Company, provides the special tax benefits under direct tax and indirect tax laws presently in force in India available to the Company and to the shareholders of the Company as stated in those Annexures, under:
 - The Income-tax Act, 1961 (the "Act") as amended by the Finance Act, 2021 applicable for the Financial Year 2021-22 relevant to the Assessment Year 2022-23, presently in force in India; and
 - the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017 and the applicable State / Union Territory Goods and Services Tax Act, 2017 ("GST Acts"), as amended from time to time, the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act"), as amended by the Finance Act 2021, applicable for the Financial Year 2021-22, Foreign Trade Policy 2015-20 as extended till 31 March 2022 vide Notification No 33/2015-20 dated 28 September 2021 (unless otherwise specified), presently in force in India.

The Act, the GST Acts, the Customs Act and the Tariff Act, as defined above, are collectively referred to as the "Relevant Acts". Several of these benefits are dependent on the Company and its shareholders fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company and its shareholders to derive the special tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives, the Company and its shareholders face in the future, the Company and its shareholders may or may not choose to fulfil.

2. This statement of possible special tax benefits is required as per 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'). While the term 'special tax benefits' has not been defined under the SEBI ICDR Regulations, it is assumed that with respect to special tax benefits available to the Company, the same would include those benefits as enumerated in the statement. Any benefits under the Taxation Laws other than those specified in the statement are considered to be general tax benefits and therefore not covered within the ambit of this statement. Further, any benefits available under any other laws within or outside India, except for those specifically mentioned in the statement, have not been examined and covered by this statement.
3. Our views are based on the existing provisions of law 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.
4. The benefits discussed in the enclosed Annexures cover the special tax benefits available to the Company and the Shareholders and do not cover any general tax benefits available to them.
5. In respect of non-residents, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.
6. The benefits discussed in the enclosed Annexures are not exhaustive and the preparation of the contents stated in the Annexures is the responsibility of the management of the Company. We are informed that these Annexures are only intended to provide general information to the investors of the Company and is neither designed nor intended to be a

substitute for professional tax advice. In view of the distinct nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her or its own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering of equity shares (the "Proposed IPO") by the Company. Also, any tax information included in this written communication was not intended or written to be used, and it cannot be used by the Company or the investor, for the purpose of avoiding any penalties that may be imposed by any regulatory, governmental taxing authority or agency.

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

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

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. We have relied upon the information and documents of the Company being true, correct and complete and have not audited or tested them. Our view, under no circumstances, is to be considered as an audit opinion under any regulation or law. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our Firm or any of partners or affiliates, shall not be responsible for any loss, penalties, surcharges, interest or additional tax or any tax or non-tax, monetary or non-monetary, effects or liabilities (consequential, indirect, punitive or incidental) before any authority / otherwise within or outside India arising from the supply of incorrect or incomplete information of the Company.

8. This Statement is addressed to Board of Directors and issued at specific request of the Company. The enclosed Annexures to this Statement is intended solely for your information and in connection with the proposed offering of equity shares of face value Rs. 10 each of the Company in connection with the Issue to be filed by the Company with the Securities and Exchange Board of India, the concerned stock exchanges, and the Registrar of Companies, at Ernakulam, and for inclusion in the draft red herring prospectus, the red herring prospectus, the prospectus and any other material in connection with the proposed initial public offering of equity shares of the Company, and is not to be used, referred to or distributed for any other purpose without our prior written consent. 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 certificate is shown or into whose hands it may come without our prior consent in writing. Any subsequent amendment / modification to provisions of the applicable laws may have an impact on the views contained in our statement. While reasonable care has been taken in the preparation of this certificate, we accept no responsibility for any errors or omissions therein or for any loss sustained by any person who relies on it.

For **MSKA & Associates**

Chartered Accountants

ICAI Firm Registration Number: 105047W

Geetha Jeyakumar

Partner

Membership No: 029409

UDIN: 22029409AFPOPA8182

Place: Chennai

Date: March 25, 2022

ANNEXURE 1

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO JOYALUKKAS INDIA LIMITED (THE "COMPANY"), AND ITS SHAREHOLDERS UNDER THE INCOME-TAX ACT, 1961

Outlined below are the special tax benefits available to the Company, and its Shareholders under the Income-tax Act, 1961 (the "Act") as amended by the Finance Act, 2021 applicable for the Financial Year 2021-22 relevant to the Assessment Year 2022-23, presently in force in India

I. Special tax benefits available to the Company

The company has opted for new tax regime under section 115BAA and is eligible for concessional tax rate of 22 percent base tax plus 10 percent surcharge and 4 percent cess (Effective Tax Rate: 25.168%) from the AY 2020-21. The said concessional tax rate is subject to satisfaction of certain conditions and is not eligible for special tax deductions as detailed in the notes below. The company cannot opt out to the old tax regime post opting for new tax regime.

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

There are no special direct tax benefits available to the shareholders for investing in the shares of the Company

Notes:

1. This Annexure sets out the only the special tax benefits available to the Company, and its shareholders under under the Act as amended by the Finance Act, 2021 applicable for the Financial Year 2021-22 relevant to the Assessment Year 2022-23, 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. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws.
4. 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). The Company has adopted the said tax rate 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 the Central Board of Direct Taxes 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.

5. 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 Proposed IPO.

6. In respect of non-residents, the tax rates and consequent taxation mentioned above 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.
7. 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.

For Joyalukkas India Limited

Director

Place: Thrissur

Date: March 25, 2022

ANNEXURE 2

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO JOYALLUKAS INDIA LIMITED (the "COMPANY"), AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA – OTHERS

Outlined below are the special tax benefits available to the Company, and its Shareholders under the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017 and the applicable State / Union Territory Goods and Services Tax Act, 2017 ("GST Acts") as amended from time to time, the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act"), as amended by the Finance Act 2021 applicable for the Financial Year 2021-22, Foreign Trade Policy 2015-20 as extended till 31 March 2022 vide Notification No 33/2015-20 dated 28 September 2021 (unless otherwise specified), presently in force in India.

I. Special tax benefits available to the Company

There are no special indirect tax benefits available to the Company.

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

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

Notes:

1. This Annexure sets out the only the special tax benefits available to the Company and its Shareholders under the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017 and the applicable State / Union territory Goods and Services Tax Act, 2017 ("GST Acts") as amended from time to time, the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act"), as amended by the Finance Act 2021 applicable for the Financial Year 2021-22, Foreign Trade Policy 2015-20 as extended till 31 March 2022 vide Notification No 33/2015-20 dated 28 September 2021 (unless otherwise specified), presently in force in India.
2. This Annexure 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, 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 IPO.
3. Our comments are based on our understanding of the specific activities carried out by the Company from 1 April 2019 till 30 September 2021 as per the information provided to us. Any variation in the understanding could require our comments to be suitably modified.
4. We have been given to understand that during the period from 1 April 2019 to 30 September 2021, the Company has
 - i. exported goods outside India;
 - ii. not exported services outside India;
 - iii. imported goods and services from outside India;
 - iv. not claimed any exemption or benefits or incentives under the indirect tax laws;
 - v. not claimed any incentive under any State Incentive Policy.
5. This annexure covers only indirect tax laws benefits and does not cover any income tax law benefits or benefit under any other law.
6. These comments are based upon the provisions of the specified Indirect tax laws, and judicial interpretation thereof prevailing in the country, as on the date of this Annexure.
7. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

For Joyalukkas India Limited

Director
Place: Thrissur
Date: March 25, 2022

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

Unless otherwise indicated, industry and market data used in this section has been derived from the report titled “Industry Report on Jewellery Retail in India” dated March 21, 2022 (the “**Technopak Report**”), prepared and issued by Technopak Advisors Private Limited (“**Technopak**”) appointed on September 30, 2021, exclusively commissioned and paid for by our Company in connection with the Issue. The data included herein includes excerpts from the Technopak Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the proposed Issue), that has been left out or changed in any manner. A copy of the Technopak Report will be available on website of our Company at www.joyalukkas.in/ from the date of the Red Herring Prospectus until the Bid/Issue Closing date. 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, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents in in the Technopak Report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction.

While preparing its report, Technopak has also sourced information from publicly available sources, including our Company’s financial statements available publicly. However, financial information relating to our Company presented in other sections of this Draft Red Herring Prospectus has been prepared in accordance with Ind AS and restated in accordance with the SEBI ICDR Regulations. Accordingly, the financial information of our Company in this section is not comparable with Ind AS financial information presented elsewhere in this Draft Red Herring Prospectus.

Macroeconomic Overview of India

India GDP and GDP Growth

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

GDP Ranking of Key Global Economies (2020)

Country	Rank	% Share (World GDP, at current prices)	Rank PPP	% Share (World GDP, PPP)
United States	1	24.7%	2	15.8%
China	2	17.4%	1	18.3%
Japan*	3	5.8%	4	3.9%
Germany	4	4.5%	5	3.3%
United Kingdom	5	3.2%	9	2.3%
India	6	3.1%	3	6.7%
France	7	3.1%	8	2.3%
Italy	8	2.2%	10	1.8%
Canada	9	1.9%	14	1.3%
Korea, Republic	10	1.9%	13	1.7%

Note: *- Available for 2019

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 GDP has sustained an average growth between 6% and 7% since Fiscal 1991. India has been the fastest-growing G20 economy since Fiscal 2015, with annual growth rate hovering around 7%. India’s economy grew at approximately 7% in Fiscal 2019. The real growth rate declined to 4% in Fiscal 2020 and witnessed a contraction of 7.3% in Fiscal 2021 due to the outbreak of COVID-19 pandemic. The pandemic led to imposition of lockdowns towards the last quarter of Fiscal 2020 and a major part of the first quarter of Fiscal 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 Fiscal 2022.

Real GDP growth rate of Key Global Economies (2018 – 2021 (Projected))

Country	GDP Growth Rate – 2018 (in %)	GDP Growth Rate – 2019 (in %)	GDP Growth Rate – 2020 (in %)	GDP Growth Rate – 2021P (in %)
United States	3.0%	2.2%	-3.5%	5.1%
China	6.8%	6.0%	2.3%	8.1%
Japan	0.6%	0.3%	-5.8%	3.1%
Germany	1.1%	1.1%	-4.6%	3.5%
United Kingdom	1.3%	1.4%	-10.0%	4.5%
India*	6.1%	4.2%	-7.3%	9.5%
France	1.8%	1.9%	-9.0%	5.5%
Italy	0.8%	0.3%	-9.2%	3.0%
Brazil	1.3%	1.4%	-4.5%	3.6%
Canada	2.0%	1.9%	-5.5%	3.6%

Source: World Bank data, WEO January 2021 by IMF; Data of India is based on Financial Year (April-March) basis.

* Secondary sources and Technopak Research

2021P: Projected numbers for 2021

Comparison with other Countries

Indian economy to be the fastest growing economy coming out of Covid-19 pandemic

The global economy was severely impacted in 2020 due to COVID-19. In some countries economic downturn has been severe and, in some countries, it has been modest. Countries like Taiwan, South Korea, Indonesia also started their recovery journey with growth rates for second quarter of 2020 being -0.6%, -3.0% and -5.4% respectively. Countries like UK, France, Mexico, US struggled with GDP growth rate of -21.7%, -19.0%, -19.0% and -9.5%, respectively, in second quarter of 2020.

Almost all these countries rebound in the third quarter of 2020. US grew at 33.4% in the third quarter and 4% in the fourth quarter of 2020 quarter on quarter. UK saw a 16.9% growth in the third quarter and 1.3% growth in the fourth quarter of 2020. However, with the increased lockdown measures, UK's GDP fell by 2.2% in January 2021 and again rose by a marginal 0.4% in February 2021. GDP of Mexico grew at a rate of 12.4% in the third quarter and 3.3% in the fourth quarter of 2020. France's GDP grew at 18.5% in the third quarter of 2020 but fell by 1.4% in the fourth quarter of 2020. After two successive quarters of contraction (-24.4% in the first quarter of Fiscal 2021 and -7.3% in the second quarter of Fiscal 2021), India bounced back in the third quarter of Fiscal 2021 with a growth rate of 0.4% followed 1.6% growth in the fourth quarter of Fiscal 2021. China's growth rate for the first quarter of Fiscal 2021 was 18.3% as compared to previous year.

Quarter wise GDP Growth Trend India



Source: Ministry of Finance, Govt of India, RBI

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

Country Wise GDP (US\$ trillion)

Country	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2025P	CAGR (2020-2025)
USA	15.5	16.2	16.8	17.5	18.2	18.7	19.6	20.6	21.4	20.9	26.7	5.0%
China	7.6	8.5	9.6	10.5	11.1	11.2	12.3	13.9	14.3	14.7	22.5	8.9%
Japan	6.2	6.3	5.2	4.9	4.4	5.0	4.9	5.0	5.1	5.0	6.3	4.7%
Germany	3.7	3.5	3.7	3.9	3.4	3.5	3.7	4.0	3.9	3.8	5.1	6.1%
UK	2.7	2.7	2.8	3.1	2.9	2.7	2.6	2.9	2.8	2.7	3.8	7.1%
India*	1.0	1.2	1.4	1.7	1.7	1.9	2.3	2.4	2.7	2.6	4.2	10.1%
France	2.9	2.7	2.8	2.9	2.4	2.5	2.6	2.8	2.7	2.6	3.4	5.5%
Italy	2.3	2.1	2.1	2.2	1.8	1.9	2.0	2.1	2.0	1.9	2.4	4.8%
Canada	1.8	1.8	1.8	1.8	1.6	1.5	1.6	1.7	1.7	1.6	2.3	7.5%
Korean Republic	1.3	1.3	1.4	1.5	1.5	1.5	1.6	1.7	1.6	1.6	2.1	5.6%

Source: India Data from RBI, up to 2019 data from World Bank, Future growth rate from OECD Data, Technopak Research

1US\$ = ₹ 75 (for 2019 India numbers)

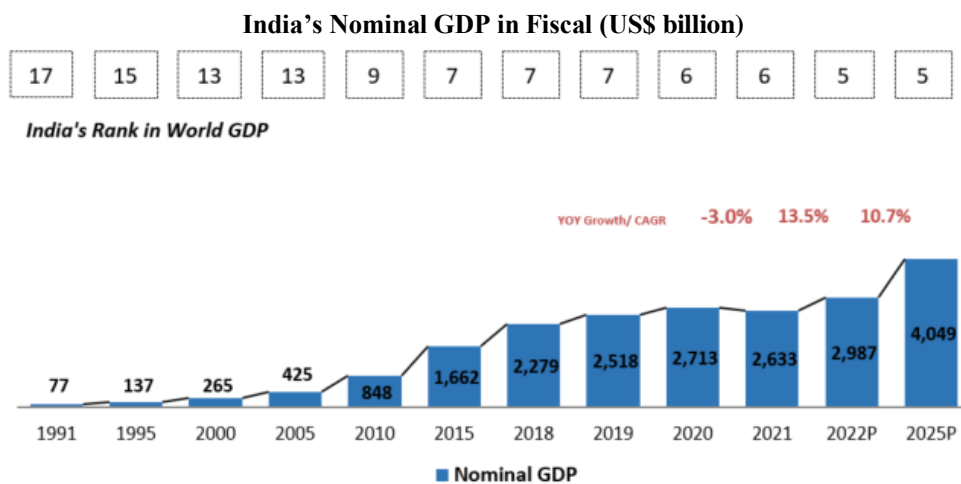
* For India, 2019 means Fiscal 2020

India's GDP Growth

Since Fiscal 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 3% in Fiscal 2021 and is expected to bounce back and reach US\$ 4 trillion by 2025. It is also expected that the growth trajectory of Indian economy will enable India to be among the top 3 global economies by Fiscal 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 and working population, IT revolution, increasing penetration of mobile and internet infrastructure, increasing aspirations and affordability etc.

COVID-19 had a massive impact on Indian economy in Fiscal 2021, with GDP in the first quarter of Fiscal 2021 contracting 24% as compared to same period last year. The contraction in the first quarter of Fiscal 2021 was not uniform; it varied from state to state and sector to sector. Aviation sector was worst hit followed by tourism, realty, food services etc. But as government eased lockdown restrictions and economy started to open up, the economic trajectory witnessed a growth revival by end of the first quarter of 2021. In Fiscal 2022, the Indian GDP was expecting a faster recovery and projected to grow at 14.5 to 15% (in nominal terms). However, given the current surge in the COVID-19 pandemic that has resulted in wide-spread disruption and diversion of attention and resource to mitigate it, the projected growth of Indian GDP in the first quarter of Fiscal 2022 appears to be facing head winds and the annual growth may be restricted to 13.5%.



1 US\$ = ₹ 75

White boxes at the top refer to India's GDP rank on a global basis

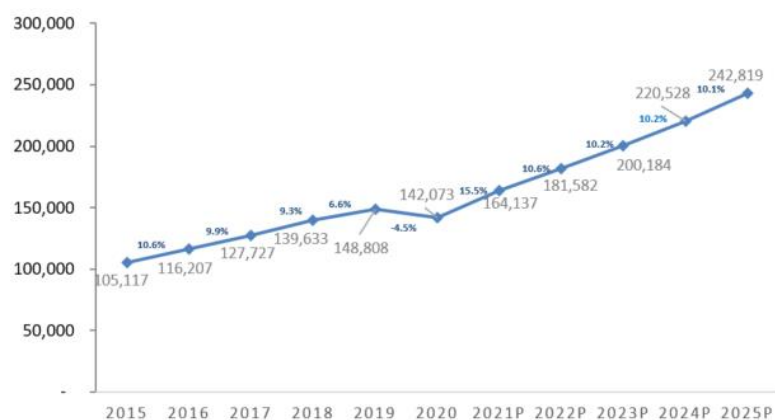


Source: RBI Data, World Bank, IMF

*2012- GDP Spike in Real growth rate due to change of base from 2004-05 to 2011-12. Hence excluded from decadal growth rate as well

Per Capita Income Growth

India's GDP Per Capita (₹) (Current Prices)



Year indicates calendar year

Source: IMF projections

Note: Numbers for 2021-2025 are Provisional

The per capita income of India has been showing an increasing trend since 2012; growing at a healthy CAGR of approximately 10%, the per capita income reached ₹1,48,808 in 2019. Given the impact of COVID-19, it decreased to ₹ 142,073 in 2020. However, it is expected to bounce back to ₹ 164,137 in 2021 and continue its growth journey at a CAGR of 10.3% between 2021 and 2025.

Growth Drivers

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.

(1) Demographics

Young population

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.

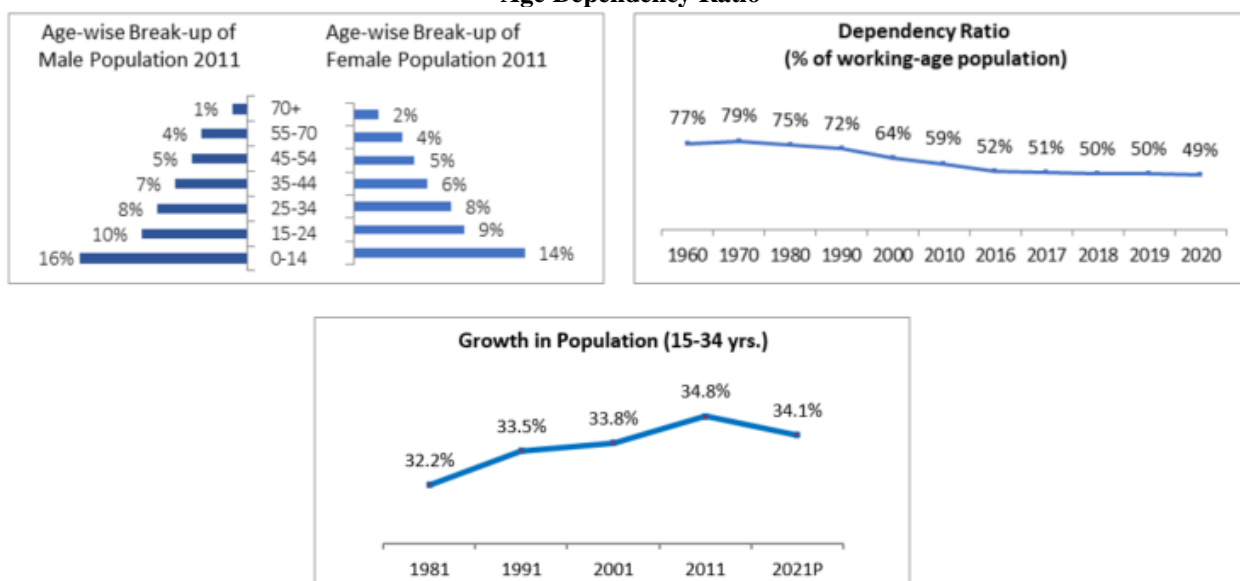
Median Age: Key Emerging and Developed Economies (2021 Estimated)

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 Fiscal 2000 to 50% in Fiscal 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 Fiscal 2000 to 50% in Fiscal 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 to 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.

Age Dependency Ratio



Source: Census of India 2011, World Bank, MOSPI

Years mentioned are Fiscals

Age wise break up of population not adding up to 100% due to rounding off

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 to 64. In India dependency ratio was as high as 72% in 1990, but it has been on a decline since then. In 2010, it was 59% which has been reduced to 50% in 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.

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 Fiscal 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 2010 to 28% in 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

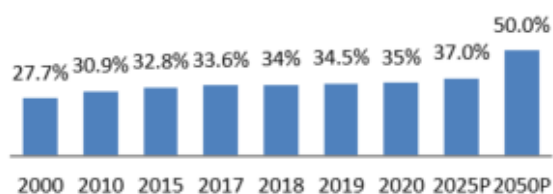
Sector	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Agriculture	67.0%	63.6%	60.0%	59.4%	58.7%	57.9%	57.2%	56.4%	55.5%	54.7%
Industry	15.5%	17.1%	18.8%	18.4%	18.2%	18.0%	17.7%	17.5%	17.3%	17.4%
Services	17.5%	19.3%	21.3%	22.2%	23.2%	24.1%	25.1%	26.1%	27.2%	28.0%

Source: World Bank Data

(2) Urbanization

India has the second largest urban population in the world in absolute terms at 472 million in Fiscal 2019, second only to China. However, only 34.5% of India's population is classified as urban compared to a global average of 54%. 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 Fiscal 2025. Urban population is expected to contribute 75% of India's GDP in Fiscal 2030. This is expected to continue with approximately 50% of India's population expected to be living in urban centers by 2050 and contributing approximately 80% of India's GDP.

Increasing Urbanization



Source: World Bank, Technopak Research

India's urbanization trend will also witness the following sub-trends:

- This growth of urbanization will witness people moving into cities from rural hinterlands, from smaller towns to bigger cities and from one city to the other due to nuclearization of the family. These is likely to create grow the urbanities that will display “migrant tendencies” within the city. They will have less attachment to past baggage of habits or bound by any rigid rules which are food or retail preferences. They will be open to experimentation and form new habits.
- COVID-19 induced lockdown that India has witnessed twice within 12 months has accelerated trends like “Work from Home” for service jobs. Also, job losses in the informal economy within cities has witnessed unemployment. Both these factors have caused reverse migration for both blue collar workers and white collar led service economy. While these disruptions will not change the overall trend of urbanization with approximately 50% of India's population expected to be living in urban centres by 2050, these factors may likely change the contours of urbanization and it may become more distributive (spread out) than concentrated. For instance, owing to the lockdown, companies across sectors have allowed ‘work from home’ for their employees which has led to a large section of the working class to move back to their native cities and towns enabling the Tier II and III cities to be the new consumptions centres. Post COVID-19 this trend may sustain for the operating cost advantages that ‘Work from Home’ (WFH) has enabled for many organizations. Over time, these cities may become “micro consumption clusters” that are predisposed to branded and contemporary choices for merchandise and service categories.

Urban Population as Percentage of Total Population of Key Economies (2020)

Country	World	India	China	USA	Singapore	Russia	Malaysia	Vietnam	UK
Urban Population as % age of total population	56.15%	35%	61%	83%	100%	75%	77%	37%	84%

Source: World Bank

Growing Middle Class

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

Increase in number of households with annual earnings of US\$ 10,000 to US\$ 50,000 has been leading to an increase in discretionary spending on food and beverages, apparel and 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.)	HHs with Annual earning US\$ 5,000 – 10,000 (Mn.)	% Of total HHs	HHs with Annual earning US\$ 10,000 –50,000 (Mn.)	% share of total HHs
2009	236	36	15.2%	11	4.7%
2012	254	60	23.8%	22	8.7%
2014	267	71	26.5%	27	10.2%
2015	274	85	30.9%	36	13.2%
2018	295	121	41.2%	86	29.3%
2020*	310	132	42.5%	95	30.6%

Source: EIU, *Technopak Estimates

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 and 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	30.4%	25.7%
2011	248	4.8	4.6	28.5%	16.4%
2021 Projected	298	4.5	4.3	20.2%	9.0%

Source: Census

Distribution of Households by number of persons (No. of Household in millions)

No. of person	FY 2001			FY 2011		
	Total HH (Mn.)	Rural HH (Mn.)	Urban HH (Mn.)	Total HH (Mn.)	Rural HH (Mn.)	Urban HH (Mn.)
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

(3) Reforms: Critical to create Demand Stimulus

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 million 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 March 26, 2020 during the COVID-19 pandemic, with a budget of ₹ 170,000 million 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 million due to the request from over 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.



Source: RBI, World Bank
Average Gold prices, per 10 grams

Indian Consumer Retail Basket and Spend Trends

Retail Market in India was valued at USD 796 billion in Fiscal 2020 and is expected to grow at a CAGR of 6.2% to reach USD 1,077 billion by Fiscal 2025.

In Fiscal 2021, India’s retail basket was approximately 48.5% of its private consumption and it is expected to maintain roughly this share in private consumption for the next five years. The food and grocery (“F&G”) segment forms the major share of India’s merchandise retail expenditure (approximately 66%), it has jumped to approximately 73% amid the disruptions caused by COVID-19 in Fiscal 2021. While other sectors in retail are expected to contract by 25% during Fiscal 2021 due to the impact of COVID-19, food and grocery is expected to have grown at approximately 4%.

Comparatively, the situation will be better for jewellery, consumer electronics and home and living. Muted consumer sentiment has brought down the demand of some of these products in the short-term, but some of this is delay in demand (such as postponed weddings) and will return as the situation improves. Jewellery also has the added benefit of being a consumption-related purchase with an investment angle and is therefore expected to be relatively resilient versus other categories.

Expenditure on jewellery is the second highest retail category with approximately 6% in overall retail consumption basket of India in Fiscal 2021 and will be a close second to apparel and accessories by 2025.

India’s Consumption Basket (value in \$ billion)

	Fiscal 2015	Fiscal 2020	Fiscal 2021	Fiscal 2025 (P)
GDP	1,662	2,713	2,633	4,049
PFCE	966	1,641	1,542	2,267
% Share of PFCE in GDP	58.1%	60.5%	58.6%	56.0%
Retail	492	796	748	1077

Source: Secondary Research, Technopak analysis

Share of various categories in overall Indian Retail Basket

Type of Categories	Categories	2020	2021	2025 (P)	CAGR (Fiscal 2021 - Fiscal 2025)
	Total Retail (US\$ bn)	796	748	1077	9.5%
Need based	Food and Grocery	66.1%	73.3%	63.3%	5.6%
Primary Non-Food	Apparel & Accessories*	8.3%	6.0%	9.3%	22.2%
	Jewellery	7.5%	5.7%	8.4%	20.6%
	Consumer Electronics	6.4%	5.7%	7.1%	15.9%
Other Non-Food	Home & Living	4.3%	3.0%	4.4%	20.3%
	Pharmacy & Wellness	2.9%	3.2%	3.3%	10.7%
	Footwear	1.2%	0.9%	1.3%	21.6%
	Others	3.3%	2.2%	2.9%	17.2%
	Total	100%	100%	100%	

*Accessories includes Bags, Belts, Watches and Wallets; Others include Books and Stationery, Toys, Eyewear, Sports Goods, Alcoholic Beverages and Tobacco etc.

Source: Technopak analysis; Year Indicates Fiscal

Share of rural vs urban in Retail

in USD Billion	Fiscal 2020	Fiscal 2021	Fiscal 2025
Nominal GDP	2,713	2,633	4,049
Private Consumption (%)	60.5%	58.6%	56%
Private Consumption	1,641	1,542	2,267
Merchandise Retail (%)	48.5%	48.5%	47.5%
Merchandise Retail	796	748	1,077
Rural Share	50%	50%	45%
Urban Share	50%	50%	55%

Source: Technopak analysis

Indian Retail Market

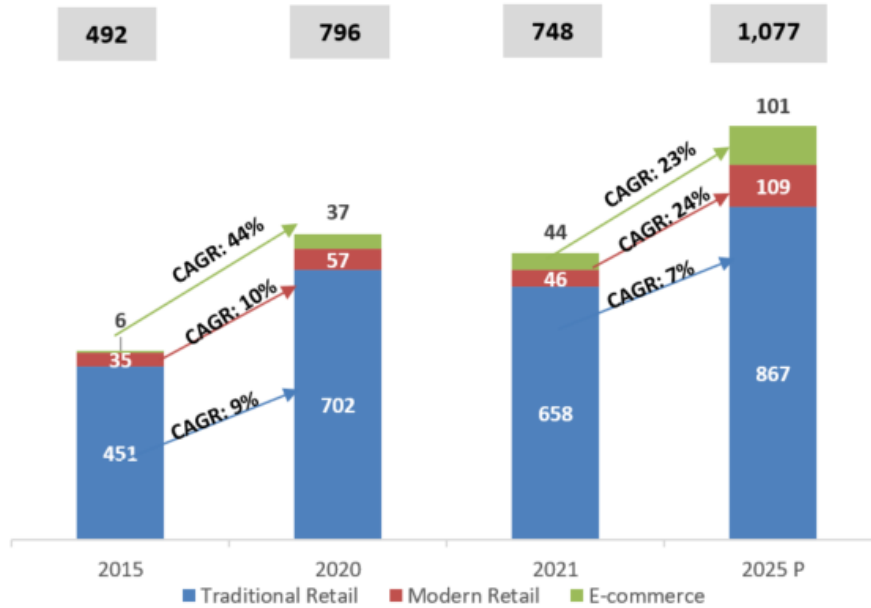
Indian retail is characterized by dominance of general trade and rising prominence of modern trade in categories other than need based categories. The high share of food and grocery in retail basket and relatively low penetration of modern trade has kept the overall share of modern trade on lower side.

General trade has the largest market share in the retail category and is dominated by unorganized players having wide reach to the market.

Modern Retail – B and M witnessed a growth of 9.0% CAGR between 2015 and 2020. The same is expected to grow at 24% CAGR from 2021 to 2025, this growth in the channel will be driven by market entry beyond top 500 cities and growth of omnichannel

Online Retail or e-Commerce has the highest growth rate across all retail channels and has witnessed a CAGR of 44% between 2015 and 2020. This growth was driven by increased internet penetration and consumer preference for ordering from the comfort of homes. Online retail is estimated to grow at a CAGR of 23% from 2021 till 2025.

Retail Market Size Split (USD Billion)



Source: Secondary research, Industry reports, Technopak Analysis; 1 US\$= ₹ 75

Organized Retail in India

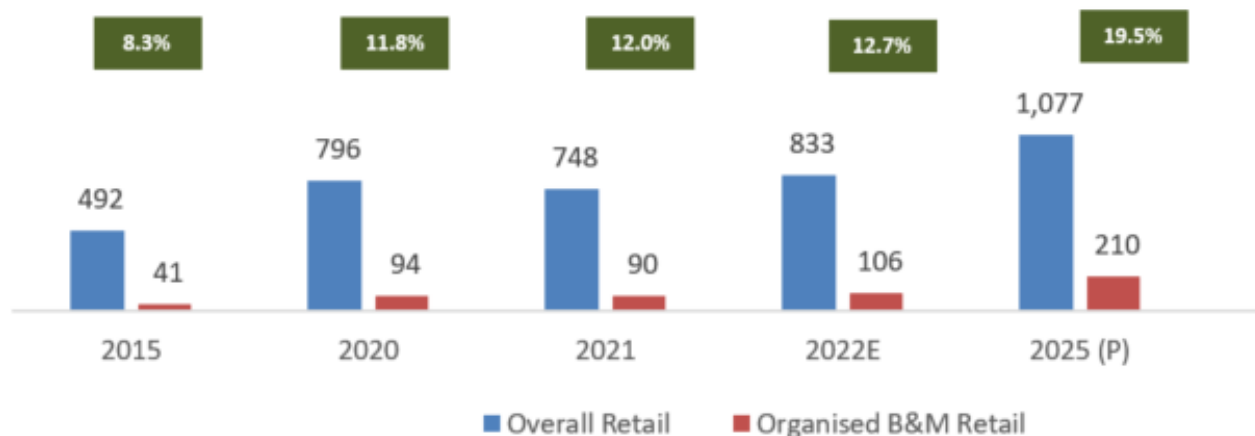
Organized retail in India originally started with the emergence of weekly bazaars and fairs. These bazaars and fairs used to be a big attraction for consumers. Over time, with the support of governments for public distribution system and corporate sectors to increase their brand presence, the organized retail sector began to take shape. In 2015, the total retail market in India stood at US\$ 492 billion. Organized retail, while still in its nascent stage contributed to approximately 8% of the total retail market in India while the unorganized sector still has a significant share, contributing to approximately 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 2020, the total retail market in India reached a value of US\$ 796 billion and grew by approximately 10% GAGR over 5 years, the organized retail market reached a value of US\$ 94 billion contributing to approximately 12% of the overall retail market and grew by approximately 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 US\$ 833 billion whereas the organized retail market would reach a value of US\$ 106 billion, contributing to approximately 13% of the total retail market in India. This shift is expected to increase over the next few years. By 2025, it is expected that the overall retail market would reach a value of US\$ 1,077 billion growing at approximately 6% CAGR whereas the organized retail market is expected to reach a value of US\$ 210 billion contributing to approximately 19% of the total retail market in India and maintain its growth rate of approximately 17% CAGR over the next 5 years.

Evolution of Indian Retail

Particulars	1990-1999	2000-2006	2007-2020
Format types	<ul style="list-style-type: none"> Pre-1990s: prevalence of only traditional retail Early-1990s: emergence of pure play modern retail in apparel segment along with MBOs and EBOs 	<ul style="list-style-type: none"> Emergence of cash & carry, EBOs, MBOs, Hypers & Supers First Big Bazaar opened in 2001, Metro Cash & Carry opened in 2003. Reliance entered this segment in 2006 	<ul style="list-style-type: none"> Emergence & consolidation of online players-Flipkart started product-based e-commerce in India in 2007. Amazon entered India in 2013. Flipkart was acquired by Walmart in 2018
Prominent Brands/labels	Levi's, Shoppers Stop, Sony	Big Bazaar, Reliance fresh, Metro cash & Carry, D'Mart	Flipkart, Amazon, Snapdeal, Big Basket, Grofers, TATA Cliq,
City presence	Metros	Metros & Tier 1	Retail story moving beyond top 500 cities but majority consumption coming from top 270 cities

Overall Retail Market (US\$ billion)



Source: Technopak analysis

Organized Penetration across Key Categories

Categories	2015	2020	2025 (P)
Total Organized Retail (US\$ bn)	41	94	210
Food and Grocery	3%	4.5%	9.0%
Jewellery	27%	32%	40%
Apparel & Accessories*	23%	32%	45%
Footwear	9%	30%	38%
Pharmacy & Wellness	5%	10%	20%
Consumer Electronics	26%	32%	45%
Home & Living	9%	15%	30%
Others	11%	14%	22%

Source: Technopak Research

*Accessories include Bags, Belts, Wallets and Watches

Others include Books and Stationery, Toys, Eyewear, Sports Goods, Alcoholic Beverages and Tobacco etc.

Share of Organized Retail in various Retail Categories

Categories	Fiscal 2020				Fiscal 2025 (P)				Key Retailers
	Share of Retail	Retail Size (US\$ Bn)	% of Organized Retail	Organized Market Size (US\$ Bn)	Share of Retail	Retail Size (US\$ Bn)	% of Organized Retail	Organized Market Size (US\$ Bn)	
Food and Grocery	66.10%	526	4.50%	23.7	63.30%	681	9.00%	61.3	Big Bazaar, D'Mart, Reliance Fresh
Jewellery	7.50%	60	32.00%	19.1	8.40%	91	40.00%	36.4	Tanishq, Kalyan, Joyalukkas, Malabar
Apparel and Accessories*	8.30%	66	32.00%	21.1	9.30%	100	44.70%	44.7	Central, Shoppers Stop, Lifestyle, Westside, Titan
Footwear	1.20%	10	30.00%	2.7	1.30%	14	38.00%	5.3	Bata India, Metro Shoes, Khadims
Pharmacy and Wellness	2.90%	23	10.00%	2.3	3.30%	36	19.60%	7.1	Apollo, MedPlus
Consumer Electronics	6.40%	51	32.00%	16.3	7.10%	77	45.00%	34.5	Vijay Sales, Croma, Reliance Digital
Home and Living	4.30%	34	15.00%	5.1	4.40%	47	30.00%	14.1	Home Centre, Home Stop
Others	3.30%	26	14.00%	3.7	2.90%	31	22.00%	6.9	
Total	100%	796	11.80%	94	100%	1077	19.50%	210	

*Accessories include Bags, Belts, and Wallets

Others include Books and Stationery, Toys, Eyewear, Sports Goods, Alcoholic Beverages and Tobacco etc.

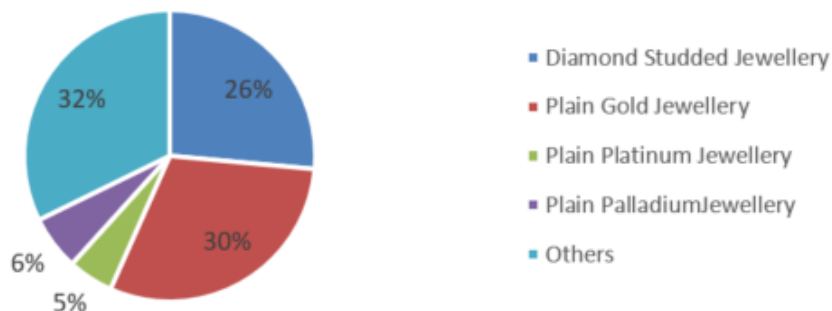
Source: Technopak Research

Overview of Global Jewellery Market

Global Jewellery Market

Global jewellery market estimated at \$ 320 billion is a significant industry in terms of contribution to the world economy. It is also for centuries is an expression of creativity, status, and exclusivity. Diamond and gold are two precious metals 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 is projected to reach \$ 350 billion by 2025.

Global Jewellery Market
Global Jewellery Market approximately US \$320 Billion (2021)

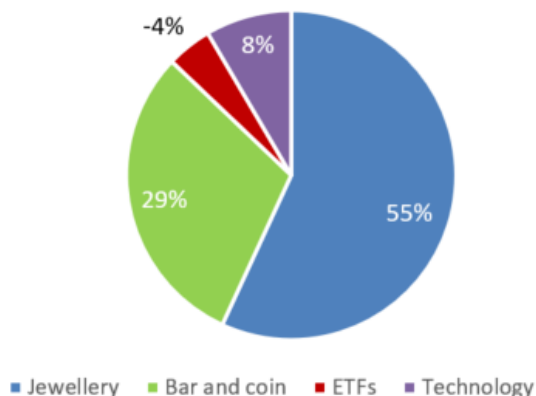


Source: Secondary research, Technopak Analysis
Others include – Gemstones, Coloured Gems, Fashion Jewellery etc.

Global Gold Market

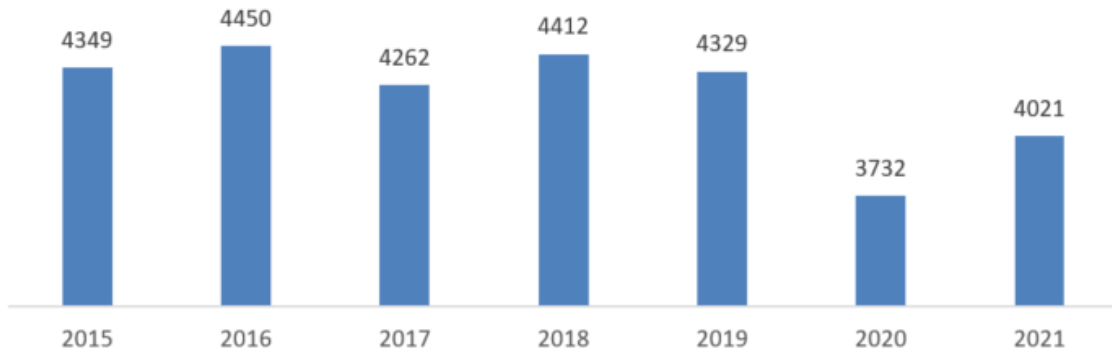
The global gold market is estimated at 4,021 tons valued at close to USD 231.5 billion at average value of LBMA gold price of \$1,799.0 per ounce. Market saw an increase of 7.1% as compared to 2020. Demand for gold gets its highest contribution from jewellery retail with 55% of share to overall gold demand. Investment demand in terms of gold coins and bar and ETFs contributed close to 25% of demand with rest coming from central bank and electronics and other technology led sectors.

Global gold demand 2021 (4,021 tons)



Source: Secondary research, Technopak Analysis

Global gold demand Value in Tons



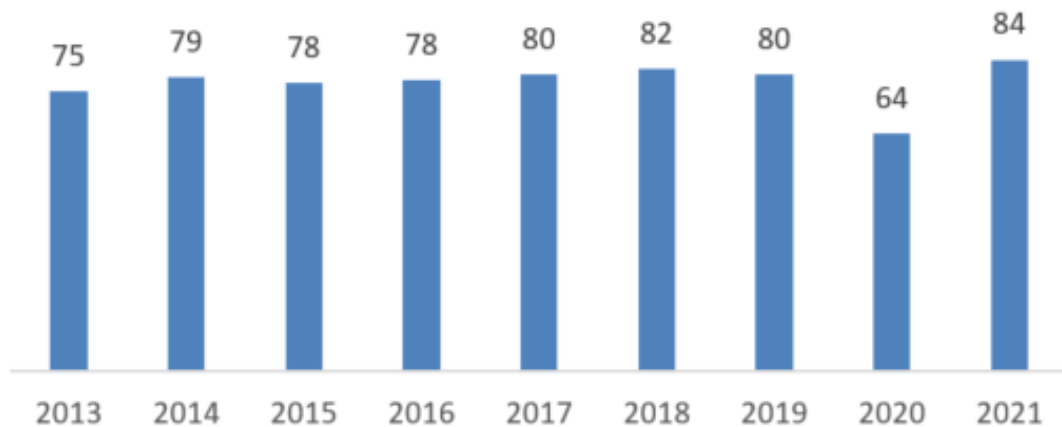
Source: Secondary research, Technopak Analysis

Global Diamond Jewellery Market overview

Global diamond jewellery market size slumped by close to 20% to reach \$ 64 billion in 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 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.

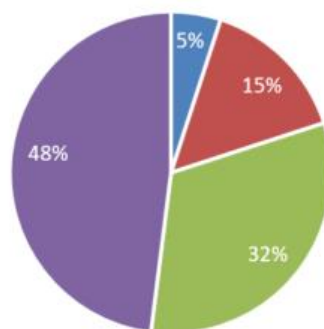
USA is the biggest market for diamond jewellery contributing more than 50% of the market share. China is the second largest market followed by Europe, Japan, India and GCC countries. The market for diamond jewellery has lower share of bridal wear at 37%. The share of luxury wear in the diamond jewellery segment is close to 20%.

Global Diamond Jewellery market: Value in \$ billion



Source: Secondary research, Technopak Analysis

Global Diamond Jewellery market (CY 2021): Total value \$ 84 billion



■ Luxury bridal ■ Luxury non-Bridal ■ Premium bridal ■ Premium non-Bridal

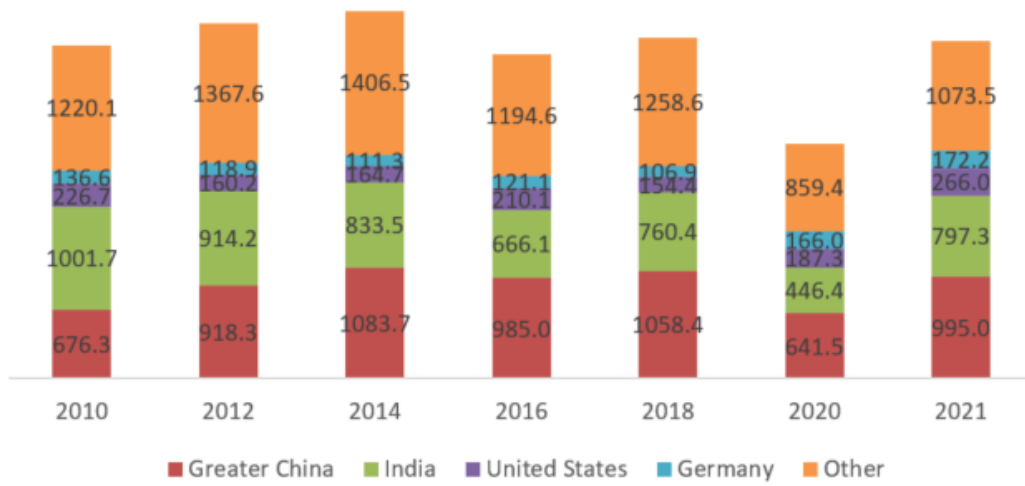
Source: Secondary research, Technopak Analysis

Global Gold Market in Consumer Segment

Consumer demand in gold consisting of jewellery demand and demand for gold coin and bars has not been able to attain the highs of 2015 at 3,438 tons. India and China are the top two players in the market with China taking over prominence from India from 2012 onwards. Other top three markets are USA, Germany and Turkey. The top five markets contributed 70% of the total market in 2020.

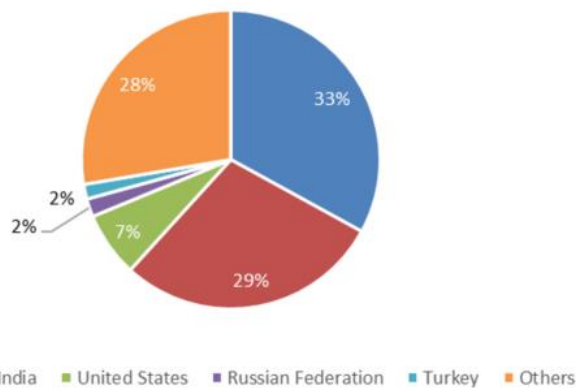
Demand for gold in jewellery segment was close to 2,100 tons before it went down to close to 1400 tons in 2020 due to pandemic. China is the market leader with a share of close to 31% followed by India contributing 23% in calendar year 2020. India and China together contribute 54% of gold consumption towards jewellery with top five markets contributing 66% of the total jewellery demand in 2020.

Gold consumer demand in major markets (value in Tons)



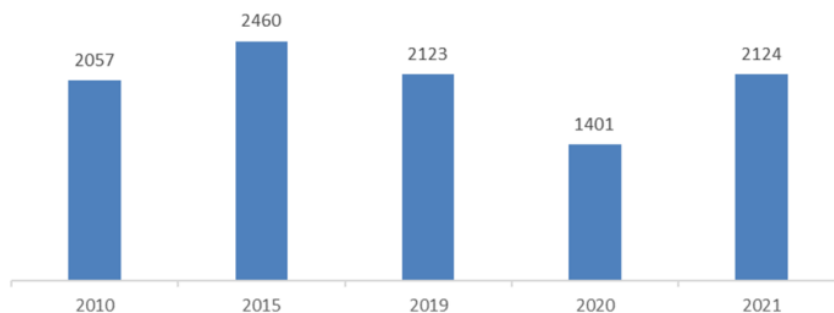
Source: Secondary research, Technopak Analysis
 Note: Consumer demand includes demand for jewellery and coins and bar

Gold Jewellery demand 2021: major markets (Total value 2,123 Tons)



Source: Secondary research, Technopak Analysis

Gold Jewellery demand trend: value in tons



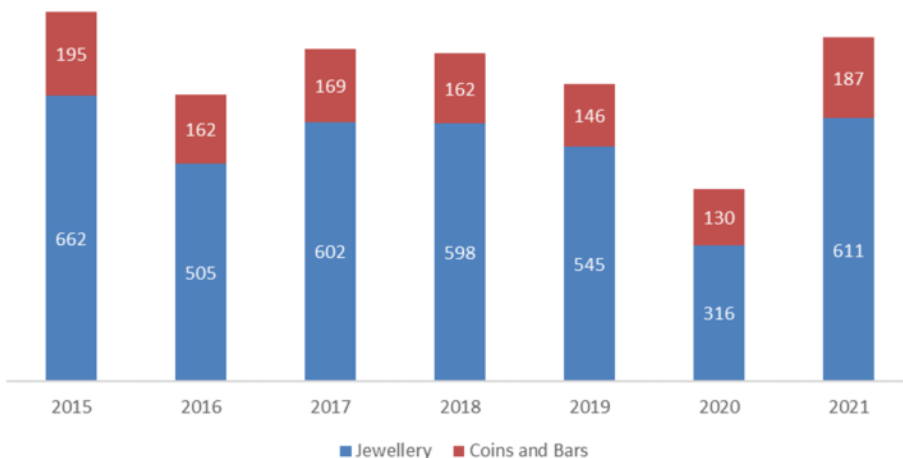
Indian Jewellery market

Indian Gold Market

India is the world’s second largest market for gold with an average consumption of close to 700 to 750 tons before COVID -19 pandemic. Gold demand came down by 35% to 446 tons in 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 the second quarter of 2019 to the second quarter of 2020. There was a recovery in demand with the fourth quarter of 2020 and the first quarter of 2021 showing almost complete recovery of sales. However, demand in the first quarter of 2021 was again almost 44% lower than the second quarter of 2019.

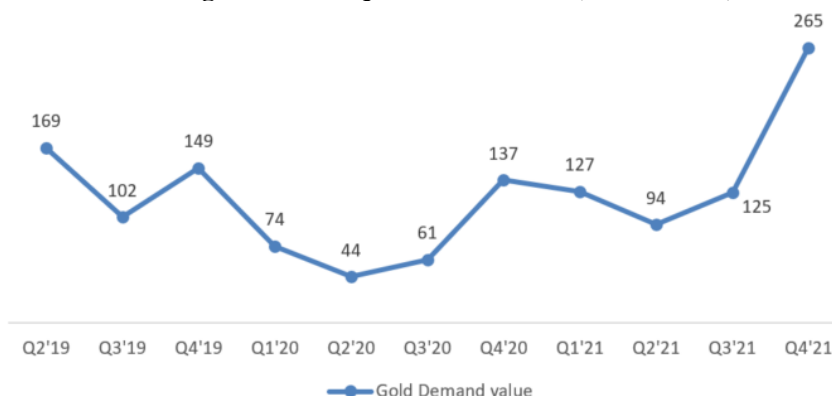
Indian consumer gold demand (value in tons)



Source: Secondary research, Technopak Analysis

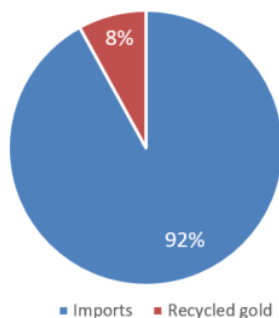
Note : consumer gold demand includes demand for jewellery and coins and bars

Indian gold demand quarter wise trend (value in tons)



Source: Secondary research, Technopak Analysis

Indian gold supply trend (value in tons)

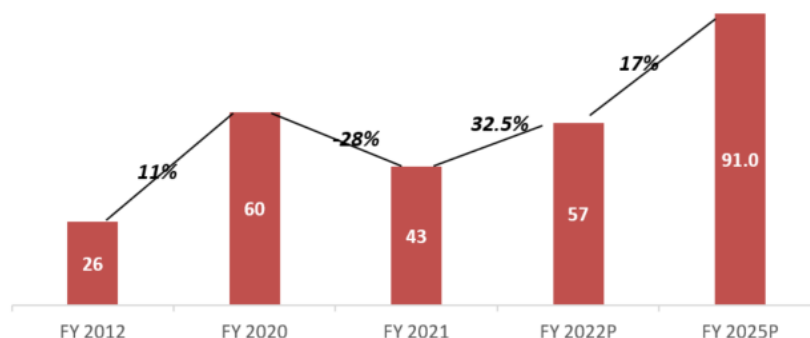


Source: Secondary research, Technopak Analysis

Indian Jewellery Retail Industry

The Indian jewellery retail sector's size in Fiscal 2020 was close to US\$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.

Indian Domestic Jewellery Market Size (US\$ billion)

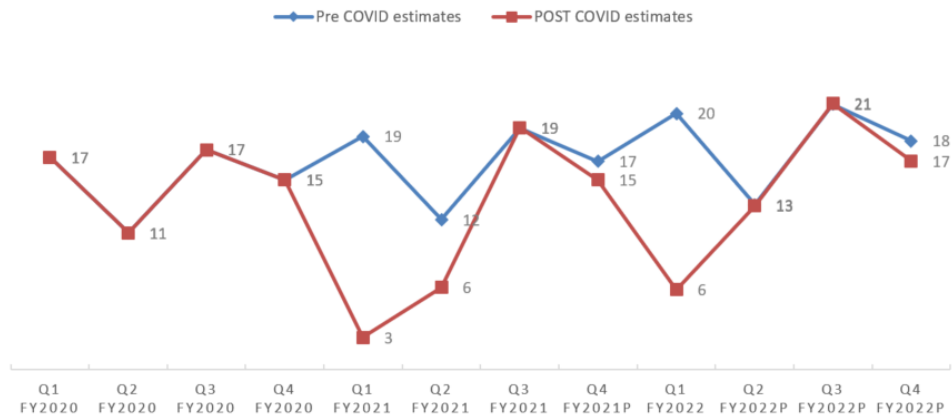


Source: Technopak Analysis, Secondary Research
Numbers in percentage represents CAGR
1 US\$= ₹ 75, Year Indicates Fiscal

In the wake of the COVID-19 crisis, the demand for Fiscal 2021 contracted by 28%. However, it is estimated to bounce back and grow at an accelerated CAGR of 21% for the next four years. While the organized segment was more resilient and witnessed contraction of 21%, the unorganized segment contracted by 31% in Fiscal 2021. The quick recovery in demand is linked to deferred purchase related to marriages and other important events which is unique to the sector.

It is expected that the larger players in the organised space will consolidate 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 constricts 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 ensure a safe retail experience will also benefit the large, organized jewellers. Consequently, some players such as the industry leaders many do not face as deep a contraction as the smaller players.

Indian Domestic Jewellery Market Size – Quarter wise (US\$ billion) Jewellery Retail Market Size (US\$ Bn)



Source: Technopak Analysis; 1 US\$= ₹ 75, Year indicates FY

The impact on jewellery has been less severe as compared to other discretionary categories like apparel and accessories given:

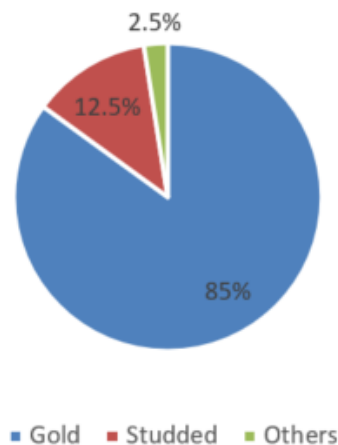
1. **Wedding-related element:** Price and income inelasticity of wedding-related jewellery demand underpins the sustenance of this category. Wedding and wedding-related jewellery, which constitutes 60% of India's total demand, will remain resilient. COVID-19 saw demand for jewellery being deferred but 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.

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 are 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.

Indian fine Jewellery market estimates: Gold vs Studded (Total value \$43 billion)



Source: Technopak Analysis, Secondary Research

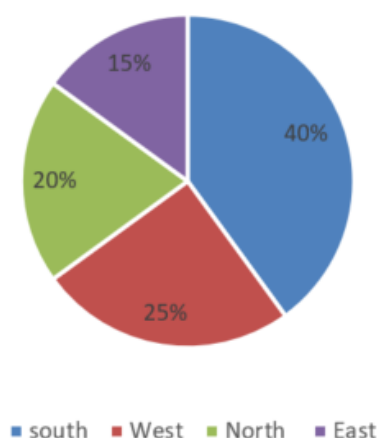
Key trends that signify the construct of the Indian jewellery market:

- 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 95% of the market is made up of fine jewellery.
- VI. Role of e-commerce growing in complementing Brick and Mortar Jewellery Retailing.

I – Heterogeneous demand influenced by strong regional preferences

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%.

Region wise contribution to Jewellery market in India (Total value \$ 43 billion)



Source: Technopak Analysis, Secondary Research

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 grams in Uttar Pradesh, it is 350 grams 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. The perceived value of diamond is limited as an ornament with limited connotations of a savings instrument. This is more pronounced in the rural segment where the savings profile of jewellery is relatively higher. 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.

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 and yellow	Yellow	White and yellow	Yellow
Diamond Quality	S1-I1	VVS, Lower colours	VS, all colours	VVS, Better colours
Preferred Caratage	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 Mala, Lakshmi Mala, Mulla Motu	Kingini Mala, Manga Mala	Kolkata Bangle, Machine cut Bangle, Thoda Bangles, Jhimki, Kurumulaka Mala, Patthakam	350
Tamil Nadu	Lakshmi Haram, Muthu Haram	Vella Kal Mookhuthi	Muthu Valayal, Lakshmi 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
Andhra Pradesh	Nakshi Haram	Kandabaranam	Kangan, Gajalu, Buttalu, Sutaru Golusu	300
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

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-November, and January. Agriculture output and monsoon influences gold demand in Tier II and Tier III towns. Rural households invest their proceeds from harvests in gold jewellery during the months of November and December. Demand for gold and silver jewellery goes up during auspicious religious events like Diwali/Dhanteras in October and November and Akshaya Trithiya in April and May and on Sankranti festival (i.e. Pongal) in South India.

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

Such pronounced regional preferences also act as a strong barrier for organized retail to scale up from a regional to a national presence, because it demands a nuanced understanding of varying consumer preferences in local markets, an ability to market effectively to a differing audience, localized sourcing and product strategy, and significant working capital. It is a challenge for organized players to operate at a meaningful scale in each micro market and have reasonably large procurement volume that entice the best of the artisans in each market to work with them. For this reason, only a few local players have managed to become regional players and fewer yet have managed to expand nationally.

II – Transition of Jewellery Retailing towards organized Retail will continue

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 launch of sub-brands 3. Growth of franchise model	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
Share of Organized Jewellery Retailing in various phases of growth				
0%	0% -> 2%	~2% -> 6%	7% -> 27%	~30%

Source: Secondary Research, 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 metros, 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.
- *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.

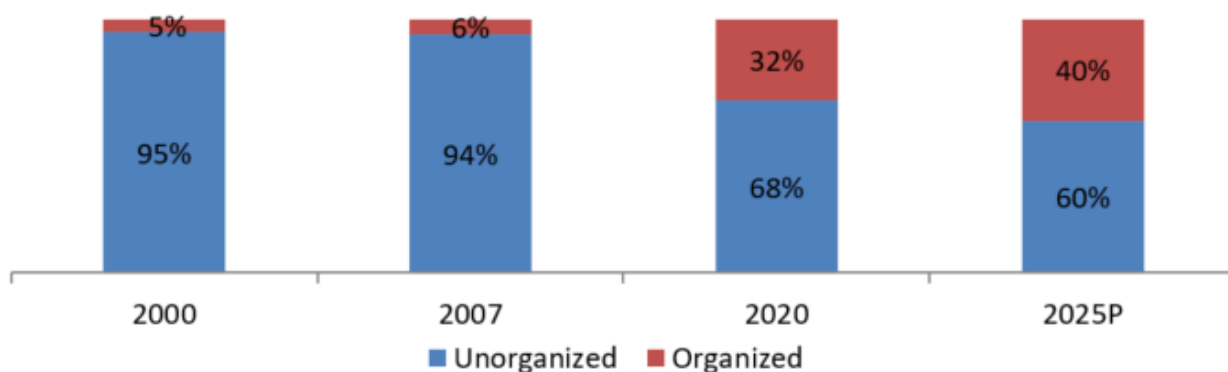
Supply Side factors

- *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 disclose purity standards. Compulsory hallmarking which took effect from 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 ₹ 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.

Top brands leverage supply and demand side factors to not only wean away customers from the unorganised sector but also compete amongst themselves to build scale of operations. Top brands in the industry including Tanishq and Joyalukkas are constantly competing across key industry metrics including innovation in design, high service levels, gold saving schemes and focussed approach to marketing and branding.

Top brands like Joyalukkas starting from one city in Kottayam today have presence in more than 68 cities in India including all major cities in five states of south India and presence in metros and mini metros in other parts of the country. It has created a strong brand through extensive market reach, consistent quality, innovative and customised design, high service level and an evolved marketing strategy.

Organized and Unorganized Jewellery Market breakup

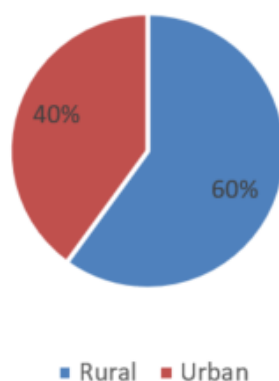


Source: Secondary Research, Industry Reports, Technopak Analysis

III – Distribution of Urban – Rural Consumption

Urban India accounts for only 40% of gold jewellery demand and the rest 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 (Total value \$ 43 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 I cities into Tier II and Tier III 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 I 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.

Emerging Sub-Segments

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	Caratage	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

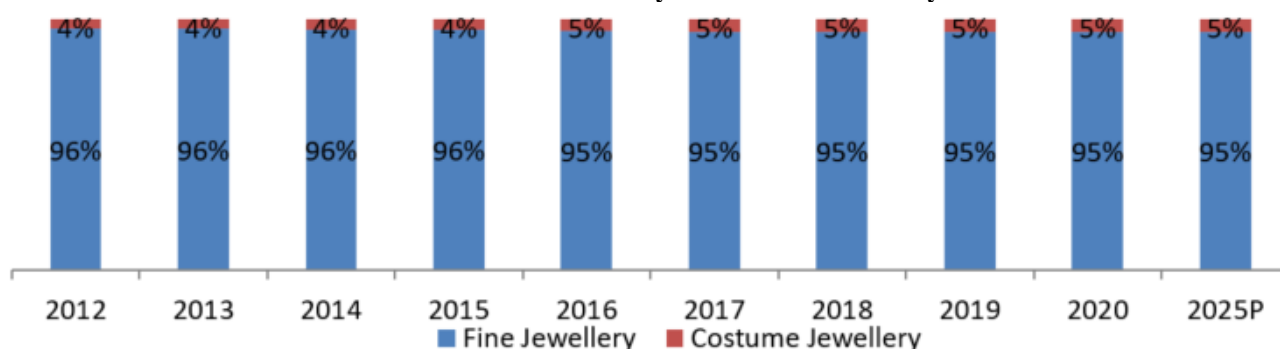
V - India Jewellery market can be sliced into fine jewellery and costume jewellery. However, 95% of the market by value is still contributed by fine jewellery

Costume/Fashion Jewellery was estimated to register a sale of approximately US\$ 3 billion in 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 approximately US\$ 4.5 billion 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.

While it is dominated by local labels and unorganised retailers, many organised accessory retailers have come up in the past bringing formality in this segment. The organised retailers and brands are being patronised for their unique brand positioning, design ethos and improved retail experience. International retailers like Swarovski, Accessorize and Claire's retail footprint is still limited to the metros, mini-metros and Tier 1 cities. However Indian accessory retailers are well penetrated with Voylla having close to 150 stores and Ayesha being present in 16 EBOS and 72 large format retailers. Lifestyle brands such as HandM, Zara, Aldo and large format retailers such as Lifestyle, Shoppers Stop, Vishal Mega Mart also have a range of fashion jewellery and accessories to complete their product offering. Horizontal e-commerce platforms such as Amazon and Flipkart also sell fashion jewellery and accessories. A bridge to luxury brand Swarovski has also been able to establish a retail network of 45 mono-brand stores and 120 multi-brand stores in India.

Sales Mix of Fine Jewellery and Costume Jewellery

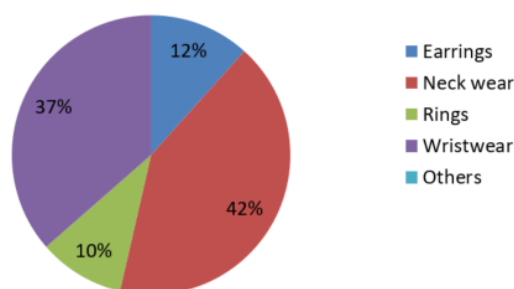


Source: Secondary Research, Technopak Analysis

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.

Breakup of Jewellery Market by Product Category India Jewellery Market Break-up by Category - Value



Source: Secondary Research, Industry reports, Technopak Analysis

VI – 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 10% (US\$ 111 billion) of total retail by 2025 from approximately 4% in Fiscal 2020 (US\$ 40 billion). In Fiscal 2012, the e-tail pie was only US\$ 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

Categories	Fiscal 2020			Fiscal 2025P		
	Retail Size US\$ Billion	E-tail Size US\$ billion	E-tail Penetration	Retail Size US\$ billion	E-tail Size US\$ billion	E-tail Penetration
Food and Grocery	526	2.8	1%	682	27	4%
Jewellery	60	1.4	2%	91	6	7%
Apparel and Accessories	65	12.1	18%	99	22	22%
Footwear	10	1.5	16%	14	3	22%
Pharmacy and Wellness	23	0.5	2%	36	3	8%
Electronics	51	14.0	27%	77	28	36%
Home and Living	34	2.5	7%	47	9	19%
Others	25	2.2	9%	33	3	11%
Overall Market	796	37.0	4.6%	1077	101	9.4%

Source: Secondary research, Industry reports, Technopak Analysis; 1 US\$= ₹ 75

The Indian online jewellery market is estimated to be approximately US\$ 1.3 billion with a penetration of less than 2% in the US\$ 57 billion jewellery market in Fiscal 2020.

Challenges of Jewellery e-commerce

- **High Share of Bridal Jewellery:** approximately 90% of India's current jewellery demand is made up of bridal and daily wear jewellery. Also, approximately 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 manifest this trust better than online shopping. Physical touch and feel are more important in jewellery purchase which makes the transition to online purchase more difficult. In case jewellery chains are not able to transition from physical stores to an online platform this may lead to lower returns on investment on online platforms.

The Way Forward for E-Commerce in Jewellery Retailing

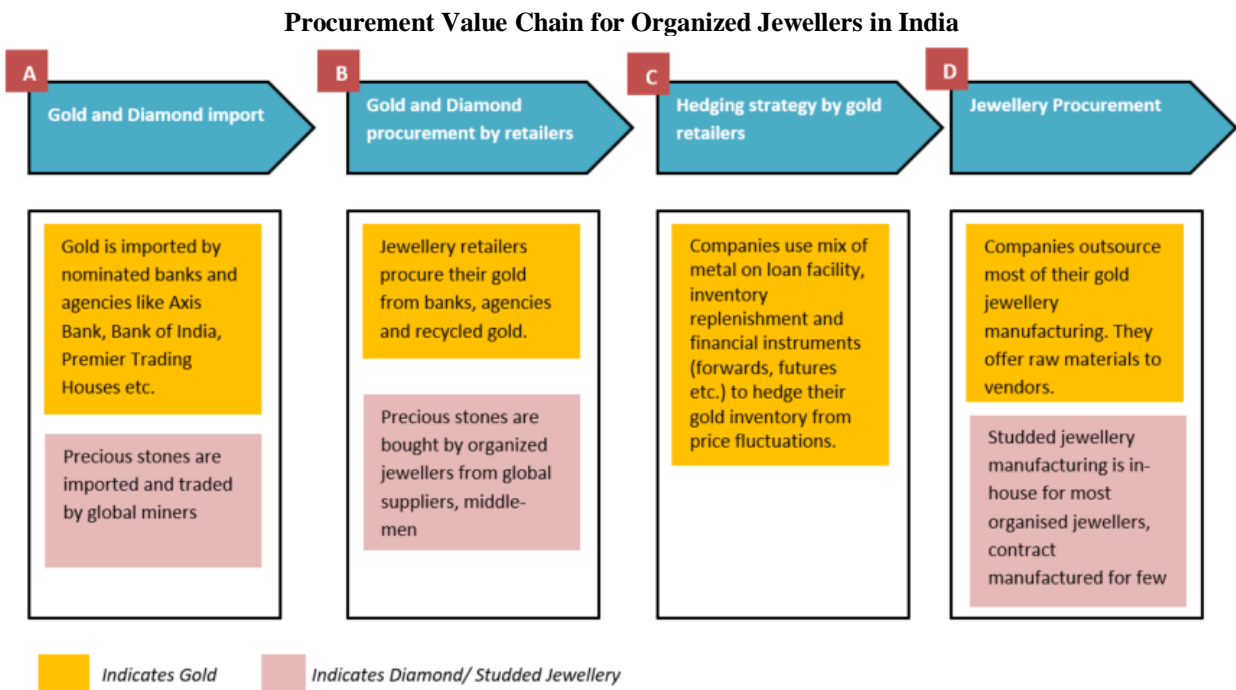
- The current growth of online jewellery retailing is driven by the affordable range of low carat gold, studded and silver jewellery that caters to urban demand in Metro cities and Tier I towns. While the daily wear segment may also merge

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. Transitioning the consumer in-store experience to an online platform for jewellery is difficult because jewellery tends to be a considered a high-value purchase that consumer like to physically see and touch before making a 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. As per estimates by 2025 all fine jewellery will be digitally influenced.
- The fine jewellery industry generated just 13 percent of its revenue online in 2019, but since the COVID-19 pandemic fundamentally reset the comfort baseline for online shopping, that share will increase to between 18 to 21 percent by 2025
- Growth of online sales of fine jewellery are expected to grow at a compound annual growth rate which is up to three times that of the overall fine jewellery market.
- COVID-19 led to the temporary closure of non-essential retailers such as jewellery and other specialist retailers and muted sales thereafter. Delhi based jewellery retail chain Pandora had more than 5 stores in Delhi NCR but as a response to COVID-19, stores were 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 approximately 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 and credit cards, other payment options may rise. As per industry estimates the nationwide lockdown has led to 42% increase in use of digital payment platforms led by Paytm.
- 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 and videos of jewellery help consumer visualize wearing the products.
- Online or E-commerce business have encouraged the customers from Tier 2 and 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.
- To succeed online, companies will need to find the right blend of technology and the human touch, making store networks part of the digital solution.

Operations in Jewellery Market in India

Procurement Value Chain for Organized Jewellers



Source: Secondary Research, Technopak Analysis, Primary Research

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 and 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

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:

- 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.
- 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.

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 and 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

Source: Primary Research, Secondary Research, Company Website; The list captures key brands ambassadors and is not exhaustive.

Television and Print Advertisements



Source: Secondary Research

Digital presence



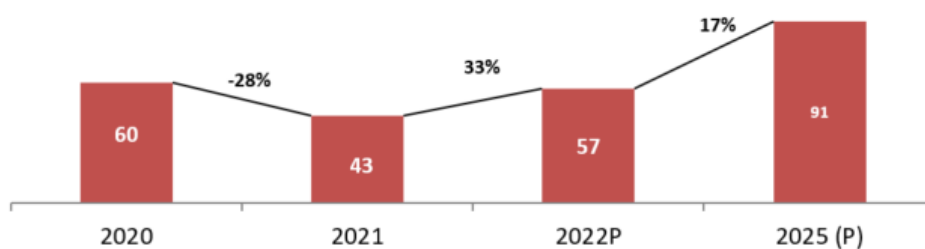
Source: Secondary Research

Competitive Landscape

Total Jewellery Market Size

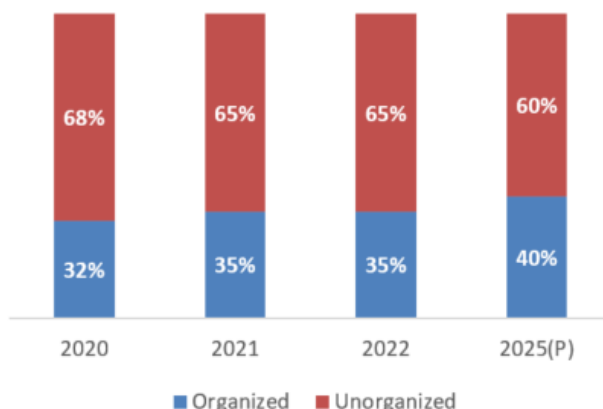
The jewellery sector has seen a continuous growth of the organised sector with contribution projected to breach 40% of the total market by 2025. Indian jewellery market is led by Tanishq from TATA group and traditional jewellers who have been able to scale up their business from a single city or single store structure to multiple cities, regional or national play. The top 11 companies contributed to 18% of the overall market size with top 5 companies contributing 15% of the overall market size.

Total Jewellery market in India (US\$ billion)



Source: Secondary Research, Technopak Analysis, Year indicates Fiscal

Organized and Unorganized Split of Jewellery market



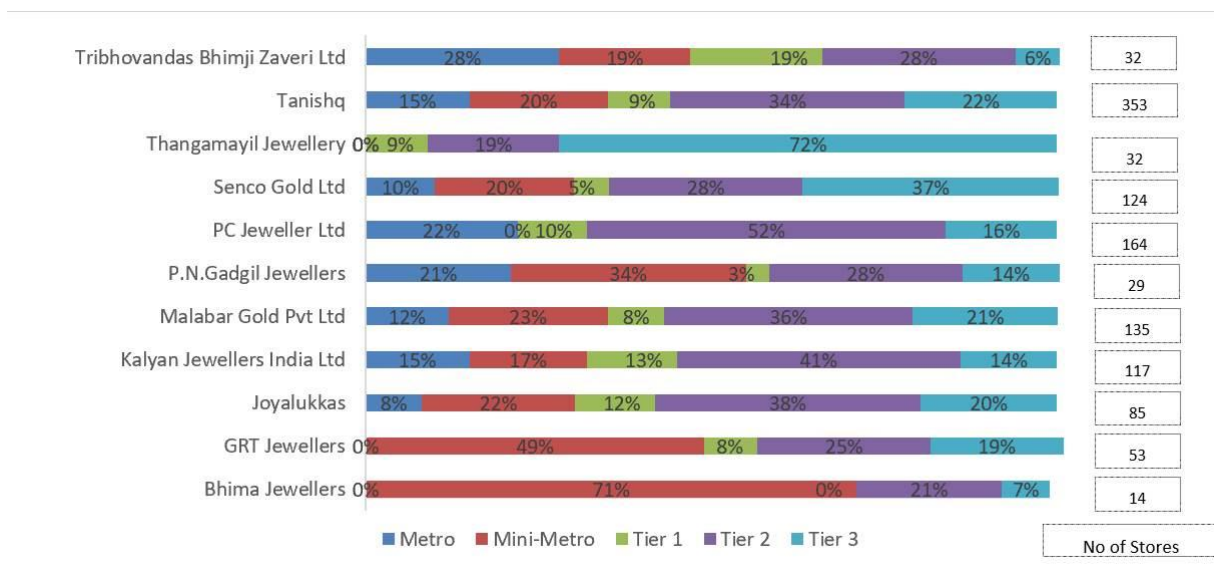
Source: Secondary Research, Technopak Analysis, Year indicates Fiscal

Considering the impact of COVID-19 on jewellery retail in India, the market is expected to grow to US\$ 91 billion by Fiscal 2025 from US\$ 60 billion in Fiscal 2020 at a CAGR of 9%. However, the organized jewellery retail will grow at a faster rate (approximately 14%) during the same period and is expected to reach a size of US\$ 36 billion in Fiscal 2025 from US\$ 19 billion in Fiscal 2020. The share of organized jewellery retail is expected to increase from 32% in Fiscal 2020 to 40% of total jewellery market in Fiscal 2025. The growth in organised retail will be driven by select national and regional players with strong fundamentals who will get a disproportionate share of this growth unlike organised retail in other discretionary categories which is more broad-based, and e-commerce driven.

Region and City Type wise Presence of Exclusive Brand Outlets (“EBOs”)

Top brands are well entrenched in the top 8 cities in the country including two metro cities and six mini metro cities. 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 metro cities. This is in line with the consumption pattern of jewellery in India. Brands like Thangamayil Jewellery have 94% 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. We need to look at the spread of stores in conjunction with the count of stores of each of the top jewellers.

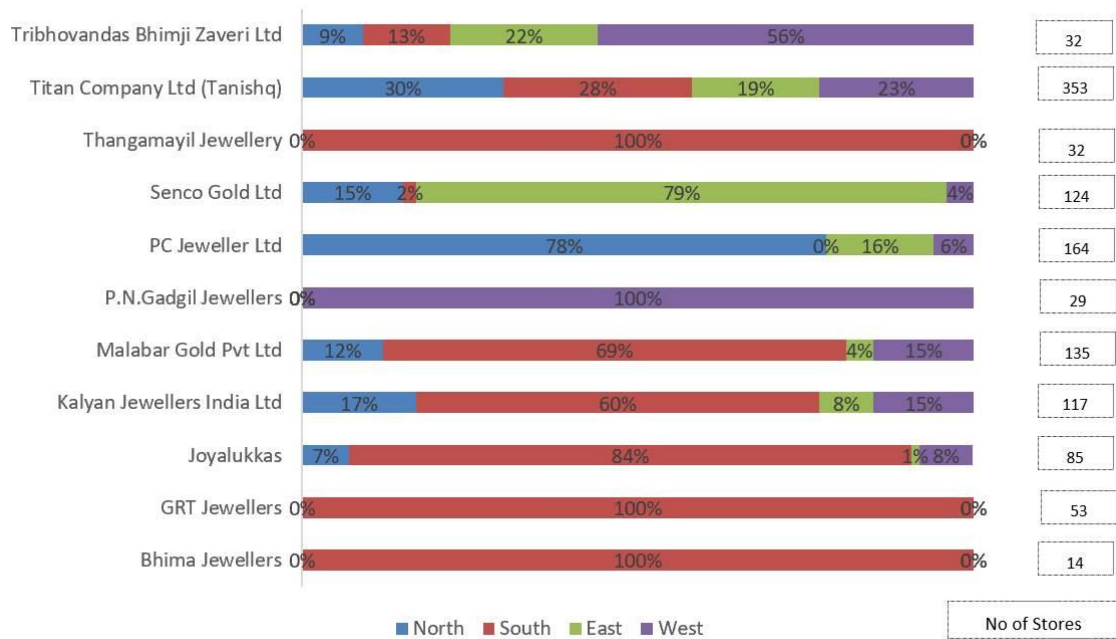
EBO Presence across City Types



Top 2 Cities: Delhi NCR and Greater Mumbai; Next 6 Cities: Bangalore, Kolkata, Chennai, Hyderabad, Ahmedabad, and Pune
 Tier 1 Cities: Cities with a population in the range of 1 to 5 million; Tier 2 Cities: Cities with a population in the range of 0.3 to 1 million; Tier 3 Cities: Cities with a population less than 0.3 million.

Source: Secondary sources, Store locator of brands, Technopak Analysis
 EBO : exclusive brand outlets.

EBO Presence across Regions



Source: Secondary sources, Store locator of brands, Technopak Analysis
EBO : exclusive brand outlets.

Revenue Per Store and Per Sq. ft. for Fiscal 2021

Company	Revenue Per Store (Cr)	Revenue per Sq. Ft. (INR)
Joyalukkas	95	2,37,244
Kalyan Jewellers India Ltd	63	96,325
P.N. Gadgil Jewellers	74	1,86,186
PC Jeweller Ltd	16	36,165
Thangamayil Jewellery	57	3,15,732
Titan Company Ltd (Tanishq)	49	1,16,512
Tribhovandas Bhimji Zaveri Ltd	42	1,39,791

Source: Annual Reports, Secondary Research, Technopak Analysis, Revenue for standalone businesses from MCA reports
FY 2021 data is not available for some of the players

EBITDA Margins

Company	EBITDA		
	FY 2019	FY 2020	FY 2021
GRT Jewellers	5.0%	4.9%	NA
Joyalukkas	7.5%	9.7%	11.4%
Kalyan Jewellers India Ltd	5.2%	9.4%	9.2%
Malabar Gold Pvt Ltd	3.2%	4.5%	NA
P.N.Gadgil Jewellers	6.2%	6.2%	10.4%
PC Jeweller Ltd	4.3%	10.7%	16.2%
Senco Gold Ltd	6.7%	8.9%	6.6%
Thangamayil Jewellery	5.1%	6.0%	8.2%
Titan Company Ltd (Tanishq)	11.1%	12.8%	8.5%
Tribhovandas Bhimji Zaveri Ltd	4.5%	6.6%	10.0%

Source: Annual Reports, Secondary Research, Technopak Analysis, Revenue for standalone businesses from MCA reports.
FY 2021 data is not available for some of the players; NA-Not Available; EBITDA Margin = EBITDA/Revenue, EBITDA excludes other Income

EBITDA Per Store and Per Sq. ft. for Fiscal 2021

Company	EBITDA Per Store (Cr)	EBITDA per Sq Ft (INR)
Joyalukkas	11	21,677
Kalyan Jewellers India Ltd	6	9,055
P.N.Gadgil Jewellers	4.6	11,544
PC Jeweller Ltd	1.7	3,870
Thangamayil Jewellery	3.4	18,801
Titan Company Ltd (Tanishq)	6.3	14,929
Tribhovandas Bhimji Zaveri Ltd	2.8	9,189

Source: Annual Reports, Secondary Research, Technopak Analysis, Revenue Annual Reports, EBITDA excludes other Income

a. PAT Margin

PAT margins have also increased due to a change in the accounting methodology (IND-AS 116). P.N. Gadgil Jewellers achieved 6.3% PAT margin in Fiscal 2021, which is among the highest in key jewellery players. Tribhovandas Bhimji Zaveri and Joyalukkas have shown the highest increase in PAT margins from Fiscal 2019 to Fiscal 2021.

PAT Margins

Company	PAT Margin		
	FY 2019	FY 2020	FY 2021
GRT Jewellers	2.4%	2.6%	NA
Joyalukkas	1.4%	0.5%	5.8%
Kalyan Jewellers India Ltd	0.7%	2.0%	1.9%
Malabar Gold Pvt Ltd	1.6%	2.7%	NA
P.N.Gadgil Jewellers	3.2%	3.1%	6.3%
PC Jeweller Ltd	0.0%	1.6%	2.3%
Senco Gold Ltd	3.3%	3.8%	2.3%
Thangamayil Jewellery	2.1%	2.7%	4.8%
Titan Company Ltd (Tanishq)	7.2%	7.6%	4.3%
Tribhovandas Bhimji Zaveri Ltd	0.9%	1.2%	3.2%

Source: Annual Reports, Secondary Research, Technopak Analysis, Revenue for standalone businesses from MCA reports.

a. 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. Joyalukkas has improving return on capital employed from 2019 to 2021, while players like Malabar Gold and P.N. Gadgil jewellers have lesser revenue than Joyalukkas but has achieved good profitability.

Return on capital employed

Company	ROCE		
	FY 2019	FY 2020	FY 2021
GRT Jewellers	19.38%	16.00%	NA
Joyalukkas	29.87%	35.72%	34.13%
Kalyan Jewellers India Ltd	13.25%	24.76%	19.25%
Malabar Gold Pvt Ltd	20.69%	22.57%	NA
P.N.Gadgil Jewellers	30.36%	22.17%	27.11%
PC Jeweller Ltd	4.33%	6.04%	4.60%
Senco Gold Ltd	29.7%	26.34%	18.36%
Thangamayil Jewellery	15.47%	17.97%	21.00%
Titan Company Ltd (Tanishq)	15.98%	15.44%	8.71%
Tribhovandas Bhimji Zaveri Ltd	7.13%	8.28%	9.56%

Source: Annual Reports, Secondary Research, Technopak Analysis, Revenue for standalone businesses from MCA reports.

FY 2021 data is not available for some of the players; NA-Not Available; ROCE = EBIT / (Total Assets – Current Liabilities), EBIT excludes other Income

Key Regulations Impacting Jewellery Retailing in India

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 ₹ 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 November 8, 2016, Government of India announced Demonetization of ₹ 500 and ₹ 1,000 currency notes of Mahatma Gandhi series that accounted for approximately 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 ₹ 200,000 and above (earlier, the threshold was ₹ 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 ₹ 200,000 will attract 1% Tax Collected at Source against the earlier threshold of ₹ 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 > ₹ 2 million) 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 ₹ 50,000 and above. However, this was also rolled back.


Hallmarking

Gold serves a dual purpose of investment and ornament and is prone to contamination. Historically, there has been 10% to 15% of gold leakage due to over-valued or under-carated purchase in India which negatively impacts Indian gold buyers. Less than half (approximately 40%) of the gold jewellery sold in India is currently hallmarked. To overcome these challenges, hallmarking

of gold jewellery and artefacts with purity of 22k, 18k and 14k has been made mandatory across the country from June 2021. The Ministry of Consumer Affairs, Food and Public Distribution issued a notification in early 2020 stating that jewellers and retailers would be given time until January 15, 2021 to register themselves with the Bureau of Indian Standards (“**BIS**”) and clear their old stock but due to disruptions in the wake of COVID-19, the deadline was later extended to 1st June 2021. It will catalyze penetration of organized retail as unorganized players will lose their advantage of adulteration propelled profits. However, type of gold jewellery demand in India depends on the region and occasion of purchase. 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 approximately 6.5% (26,000 out of 400,000) 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 and hallmarking centres. Its costs ₹ 35 plus taxes per article.
- Organised players like Joyalukkas, Tanishq, TBZ etc., were voluntarily offering hallmarked jewellery to improve consumer appeal and transparency.
- Joyalukkas was one of the first jewellery companies in India to voluntarily have all its jewellery “BIS hallmarked” as well as accompanied by a detailed price tag to aid price transparency to consumers
- 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		Bureau of Indian Standards logo
Fineness	916	The purity in terms of carat is denoted by a three-digit number. For example, the number 916 refers to a piece of jewellery with 91.6% purity or 91.6% gold (22 CT)
Assaying & Hallmarking Centre mark	XYZ	Logo of the assaying center
Jeweler’s Mark	M	The Jeweler’s identification mark

Sources: Secondary research

FDI Norms

The Government of India allows 100% foreign direct investment in the jewellery sector under the automatic route.

OUR BUSINESS

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 “Forward-Looking Statements” on page 18 for a discussion of the risks and uncertainties related to those statements and also “Risk Factors”, “Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 19, 182 and 246, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

Unless otherwise indicated or the context otherwise requires, the financial information for Fiscals 2019, 2020 and 2021 and for the six months ended September 30, 2020 and September 30, 2021 included herein is derived from the Restated Financial Information, included in this Draft Red Herring Prospectus, which have been derived from our audited financial statements and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time, which differ in certain material respects from IFRS, U.S. GAAP and GAAP in other countries. For further information, see “Financial Statements” on page 182.

Unless the context otherwise requires, in this section, references to “we”, “us”, “our”, “the Company” or “our Company” refers to Joyalukkas India Limited.

Unless otherwise indicated, industry and market data used in this section has been derived from the report titled “Industry Report on Jewellery Retail in India” dated March 21, 2022 (the “**Technopak Report**”), prepared and issued by Technopak Advisors Private Limited, which has been appointed on September 30, 2021, pursuant to an engagement letter dated September 30, 2021 and exclusively commissioned by and paid for by us in connection with the Issue. A copy of the Technopak Report will be available on website of our Company at www.joyalukkas.in from the date of the Red Herring Prospectus until the Bid/Issue Closing date. The data included herein includes excerpts from the Technopak Report and may have been re-ordered by us for the purposes of presentation. For more information, see “Risk Factors – Industry information included in this Draft Red Herring Prospectus has been derived from a third party industry report, exclusively commissioned and paid for by us.” on page 46. Also see, “Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation – Industry and Market Data” on page 16.

Overview

We are one of the leading jewellery companies in India in terms of revenue in Fiscal 2021 (Source: Technopak Report). Our jewellery business includes the sale of jewellery made of gold, studded and other jewellery products that include diamond, platinum, silver and other precious stones. Our business was founded by Alukkas Varghese Joy, our Promoter and Managing Director, who has over 33 years of experience in the jewellery industry. We have a presence across multiple regions in India with a focus on southern states.

We commenced operations in 2002 by setting up a showroom in Kottayam, Kerala and over the years have expanded our network of showrooms to various prominent locations. We operate 85 showrooms under the “Joyalukkas” brand located across 68 cities in India with an aggregate area of approximately 344,458 square feet, as of January 31, 2022. Of these 85 showrooms, 6 are large-format showrooms (with an area of 8,000 square feet or more), including our largest showroom at Chennai, Tamil Nadu that has an area of over 13,000 square feet. Our range of over 100,000 jewellery designs, across various price points caters to customers across all market segments. We believe that our large format showrooms provide a luxury experience and customer service, that in combination with the inventory and variety that our showrooms offer enhances our efficiency as they require less managerial staff in proportion to the variety of jewellery products we offer, and enables us to attract and retain a growing customer base that as of January 31, 2022, exceeded over 2.00 million customers in India.

Our product profile includes traditional, contemporary and combination designs across jewellery lines, usages and price points. Our gold, diamond and other jewellery inventory in each showroom reflects regional customer preferences and designs. Our focus on design and innovation, our ability to recognize consumer preferences and market trends, the intricacy of our designs and the quality of our products are our key strengths. In addition, our access to a range of contract manufacturers that are generally smaller, localised jewellery manufacturers from various parts of India allows us to offer a diverse product range. The following table provides a breakdown of our revenue from operations by product category in the relevant periods:

Category	Fiscals						Six months ended September 30,			
	2019		2020		2021		2020		2021	
	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)
Gold	63,419.68	78.37%	63,135.95	78.69%	67,947.51	84.24%	18,079.57	86.56%	33,244.23	82.86%

Category	Fiscals						Six months ended September 30,			
	2019		2020		2021		2020		2021	
	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)
Diamonds	15,938.62	19.70%	15,513.51	19.33%	11,404.45	14.14%	2,467.58	11.81%	6,052.87	15.08%
Others*	1,560.12	1.93%	1,588.42	1.98%	1,310.97	1.62%	340.58	1.63%	825.51	2.06%
TOTAL	80,918.42	100.00%	80,237.88	100.00%	80,662.93	100.00%	20,887.73	100.00%	40,122.61	100.00%

Notes:

* Others includes silver and pearls.

The “Joyalukkas” brand was started from one city in Kottayam and has evolved into a brand with presence in 68 cities in India including all major cities in five states of South India and presence in metros and mini metros in other parts of the country (*Source: Technopak Report*). Our “Joyalukkas” brand has high brand recall through extensive market reach, consistent quality, innovative and customised design, high service level and an evolved marketing strategy (*Source: Technopak Report*). We believe that our focus on quality, customer service, design range, customer-oriented policies and loyalty programs, together with our celebrity endorsements, targeted marketing and arrangements with local artisans to address regional preferences, have enabled us to develop strong brand recognition and customer loyalty. We have currently engaged film actress Kajol as our celebrity brand ambassador. We have received various accolades for our brand that includes being recognized by the Superbrand Council as a “Superbrand” for the year 2015 and the National Retail Chain of the Year award at the 7th GJTCI Excellence Awards by the Gem and Jewellery Trade Council of India in 2019. We generally conduct customer surveys to identify and analyse customer preferences and trends.

Our experience of close to two decades has enabled us to build an effective vertically integrated business model that gives us control over our processes from raw material procurement, design, manufacturing and marketing to sales through our extensive network. Our vertical integration allows us to monitor and control the quality of our products on the supply side, and also provides us the ability to respond quickly to our customers’ needs and preferences on the demand side. All our gold jewellery products are hallmarked by Bureau of Indian Standards (“BIS”) except gold jewellery weighing less than two grams which is not required to be hallmarked and our diamond jewellery is certified by various agencies including “Forevermark”, IGI, GIA and DHC and our internal certifications. We also benefit from operational efficiencies that often translate into more competitive pricing for our products, which benefits our customers as well as attracts more customers, both new and repeat, to buy our products. Our procurement policy, inventory management (each item in our showroom undergoes quality control testing and are individually tagged) and sales processes result in operational efficiencies. The processes and policies that we have implemented enable us to effectively monitor and address our entire operations that link our supply chain and showrooms.

To increase our reach and target customer base and also to stay aligned with our customers’ evolving needs and preferences, we launched our online shopping platform, Joyalukkas Online (www.joyalukkas.in), in 2018 to reach out to a wider customer base and provide them the option of shopping from home. To extend our online presence, we have recently started retailing our list of products on major e-commerce marketplaces. In Fiscals 2019, 2020 and 2021 and in the six months ended September 30, 2020 and September 30, 2021, revenue from our online channel was ₹ 257.53 million, ₹ 342.55 million, ₹ 245.55 million, ₹ 70.36 million and ₹ 119.63 million, and accounted for 0.32%, 0.43%, 0.30%, 0.34% and 0.30%, respectively, of our revenue from operations. We also intend to introduce mobile applications that we are in the process of developing through a partnership with one of the leading mobile application developers to allow customers to browse our selection of products on the go as a further initiative to engage our online customers.

Our Promoter also operates gold jewellery business internationally through certain entities in the promoter group. Our Promoter’s relationships with our suppliers, customers and other industry participants have been instrumental in implementing our growth strategies. Our Promoter continues to remain actively involved in our operations and brings to our Company his vision and leadership which we believe has been instrumental in sustaining our business operations. Over the years, our management team has helped scale our operations and includes professionals with extensive experience in the retail and jewellery industry as well as finance and marketing.

Our large format showrooms allows for better unit economics, contributing to our revenue from operations and EBITDA Margin. We have grown our operations over the years without raising external capital. The following table sets forth certain key performance indicators for the periods indicated:

Particulars	As of and for the years ended March 31,			CAGR (Fiscal 2019 to Fiscal 2021)	As of and for the six months ended September 30,	
	2019	2020	2021		2020	2021
	(₹ million, except percentages)					
Revenue from Operations	80,918.42	80,237.88	80,662.93	(0.16)%	20,887.73	40,122.61
EBITDA ⁽¹⁾	5,876.76	6,488.56	9,462.51	26.89	4,954.93	4,984.44
EBITDA Margin ⁽²⁾	7.26	8.09	11.73	27.11	23.72	12.42
PAT for the year/period	1,161.38	407.05	4,717.54	101.54%	2,486.11	2,689.45
PAT Margin ⁽³⁾	1.44%	0.51%	5.85%	101.56%	11.90%	6.70%
ROE ⁽⁴⁾	9.78%	3.26%	27.42%	67.44%	16.61%	13.54%
ROCE ⁽⁵⁾	30.37%	36.15%	35.45%	8.04%	19.92%	17.32%
Net Debt / Equity	1.04	1.22	0.84	(10.13)%	1.02	0.77

Notes:

1. EBITDA is calculated as restated PAT for the year / period, plus total tax expenses, exceptional items, finance costs and depreciation and amortization expenses, less interest on income tax.
2. EBITDA Margin is calculated as EBITDA as a percentage of revenue from operations.
3. PAT Margin is calculated as restated PAT for the year / period as a percentage of revenue from operations.
4. ROE is calculated as restated PAT for the year / period divided by total equity.
5. ROCE is calculated as EBIT divided by capital employed.

Strengths

Established homegrown brand with focused sales and marketing strategy

We have created high brand recall through consistent quality, extensive market reach, innovative and customised design, high service level and an evolved marketing strategy (*Source: Technopak Report*). We were among the pioneers in the Indian jewellery market to introduce price transparency into our products (*Source: Technopak Report*). We believe that our focus on core values of trust and transparency has contributed to our strong brand recognition and customer loyalty. All of our gold jewellery products are hallmarked by the BIS except gold jewellery weighing less than two grams which is not required to be hallmarked, and we were one of the first jewellery companies in India to voluntarily have all our jewellery BIS hallmarked as well as accompanied by a detailed price tag to aid price transparency to customers (*Source: Technopak Report*). In addition, our diamond jewellery is certified by 'Forevermark', IGI, GIA and DHC and our internal certifications. We have developed a number of prominent sub-brands that include Pride, Eleganza, Veda, Ratna, Zenina, Apurva, Masaaki Pearls and Li'l Joy Kids Jewellery, all marketed under our main "Joyalukkas" brand. We have a focused marketing strategy and currently have engaged Kajol as our celebrity brand ambassador. In Fiscals 2019, 2020 and 2021, and the six months ended September 30, 2020 and the six months ended September 30, 2021, our advertising and marketing spend amounted to ₹ 1,374.10 million, ₹ 1,089.26 million, ₹ 511.67 million, ₹ 70.91 million and ₹ 170.02 million and was 1.70%, 1.36%, 0.63%, 0.34% and 0.42% of our revenue from operations, respectively. During Fiscal 2021 and six months September 30, 2020, our advertising and marketing activities were limited on account of the restrictions imposed as a result of the COVID-19 pandemic. In our experience, our investment towards our brand, advertising and marketing has been among of the key factors which has enabled us to distinguish ourselves from our competitors while resulting in greater awareness.

Our branding and our marketing efforts have contributed to our prominence as a leading jewellery chain in India (*Source: Technopak Report*). We have strengthened our brand portfolio with local, targeted marketing strategies aimed at different customer profiles, various markets and price segments and for various uses and occasions. We also partner with local artisans to develop location and community specific product range and designs, as well as employing local showroom staff for effective engagement with customers. As part of our branding initiatives, our national brand ambassador attends our flagship showrooms' inaugurations to create an immediate buzz whenever we open a new showroom (*Source: Technopak Report*). Our marketing initiatives include advertising through various media, such as, television, radio, newspapers and magazines, online advertisements, hoardings and display, advertisements in cinema hall, bus terminals, railway stations and similar displays. Our advertisements and commercials are tailored to suit peak local buying periods and regional festivals and events. Our specific marketing activities catered around Indian cultural and festivities ensure high brand recall for our brand, and as such we are associated with quality jewellery for different occasions.

We also have an established social media presence on various platforms, including Facebook, Instagram and YouTube. The table below shows a breakdown of our social media presence on the various sites, as of January 31, 2022.

Platform	No. of Followers
Facebook	Over 1.10 million
Instagram	Over 128,000
YouTube	Over 26,000

In response to the evolving needs and the shopping habits of the younger generation, as well as to extend our operations and cater to the geographies and regions where we do not have physical presence, we launched our e-commerce operations in March 2018. Apart from our own e-commerce portal, www.joyalukkas.in, our products are also listed on other major online marketplaces in India. In Fiscals 2019, 2020, 2021, and the six months ended September 30, 2020 and September 30, 2021, revenue from our online channel was ₹ 257.53 million, ₹ 342.55 million, ₹ 245.55 million, ₹ 70.36 million and ₹ 119.63 million, respectively, and accounted for 0.32%, 0.43%, 0.30%, 0.34% and 0.30%, respectively, of our revenue from operations.

Leading jewellery company in India and well positioned to capitalize on industry growth

We are one of the leading jewellery companies in India in terms of revenue in Fiscal 2021 (*Source: Technopak Report*). We offer a wide range of products across various price points and cater to customers across various market segments. In addition we maintain an inventory of jewellery made of gold, diamond and other precious stones, platinum and silver, all with an extensive array of designs. Our gold, diamond and other jewellery inventory in each individual showroom reflects regional customer preferences and designs. Our focus on design and innovation, our ability to recognize consumer preferences and market trends, the intricacy of our designs and the quality and finish of our products are our key strengths. All of our gold jewellery is hallmarked in accordance with BIS norms except gold jewellery weighing less than two grams which is not required to be hallmarked while our diamond jewellery is certified by 'Forevermark'.

The Indian jewellery retail sector's size in Fiscal 2020 was close to US\$60 billion and is expected to grow at a CAGR of 9% to reach US\$ 91 billion by Fiscal 2025. However, the organized jewellery retail will grow at a faster rate, from US\$19 billion in Fiscal 2020, to US\$ 36 billion in Fiscal 2025 at a CAGR of approximately 14%. The share of organized jewellery retail is expected to increase from 32% in Fiscal 2020 to 40% of total jewellery market in Fiscal 2025. The growth in organised retail will be driven by select national and regional players with strong fundamentals who will get a disproportionate share of this growth unlike organised retail in other discretionary categories which is more broad-based, and e-commerce driven (*Source: Technopak Report*). Gold and gold jewellery has traditionally been one of the most prominent asset classes in India. Apart from being intertwined as a way of life being deeply rooted in Indian culture, any investment in gold in form of jewellery or any other form is assumed to be risk free and guaranteed to give good returns. Growth in gold prices has traditionally been above the inflation rate ensuring protection against loss of value due to economic upheavals. The sturdiness of jewellery as an asset class in terms of liquidity, establishment of fair value and trading value. Any purchase of jewellery has a savings connotation, contributing in its position as the second largest market in the world in terms of annual consumption (*Source: Technopak Report*). We believe that our strong brand, scalable business model, effective operational processes and proven track record of profitable expansion, position us well to capitalise on this market opportunity.

Presence across India with a strong foothold in South India

We have an entrenched presence in South India and a growing presence in rest of the states in India. Our total showroom count has grown from 77 showrooms across 67 cities, as of March 31, 2019 to 85 showroom across 68 cities, as of March 31, 2021. As of January 31, 2022, we had 5,132 employees across various categories, i.e., permanent employees, employees under probation and employees doing their apprenticeship with over 4,227 retail-focused employees across 85 showrooms having a retail area of 344,458 square feet which covers 13 states and union territories in India. Our showrooms are usually located in high-visibility and high-street areas. Our typical showroom has an average size of 4,000 square feet and 50 staff, majority of whom are sales personnel. We regard the presentation of jewellery in our showrooms as critical to foster a positive customer experience and our displays and showroom designs are also curated in a manner that caters to local tastes and preferences. Our showrooms also implement social distancing measures that have become particularly relevant on account of COVID-19.

Between Fiscal 2017 and Fiscal 2021, we opened 28 new showrooms at an average rate of approximately 6 showroom openings per year across multiple regions, which has provided us with significant experience in expanding our showroom network, including in new markets.

The table below sets out details of new showrooms opened by us between Fiscal 2017 and Fiscal 2021 across India:

Fiscal	State	No. of Showrooms
2017	Kerala, Tamil Nadu	2
2018	Kerala, Karnataka, Tamil Nadu, Andhra Pradesh, UP, Punjab, Delhi	13
2019	Kerala, Maharashtra, Telangana, Punjab	5
2020	Telangana, Tamil Nadu, Karnataka	6
2021	Andhra Pradesh, Karnataka	2
Total		28

We have a standardized and scalable development model for our showrooms based on our know-how and experience. In determining opening of additional showrooms we assess optimum size and layout and lease arrangements that are typically long-term in nature. Our ability to identify and determine the location and size of a showroom as well as manage rental costs

and the marketing leverage of our showrooms are critical to ensuring visibility among target customers and sustainability of showroom profitability. Our business development teams help identify viable locations for our showrooms while our projects team ensures that our showrooms maintain a standardized look and feel. Our showrooms are situated in locations that have significant footfalls such as high street locations and shopping malls.



The table below sets out details of our presence across India, as of January 31, 2022:

States	No. of Showrooms	Aggregate Area (sq. ft.)
Tamil Nadu*	24	109,975
Karnataka	15	61,937
Andhra Pradesh	13	57,142
Kerala	11	34,077
Telangana	9	47,976
Maharashtra	4	13,432
Delhi	2	5,070
Gujarat	2	4,558
Punjab	2	4,564
Haryana	1	2,100
Uttar Pradesh	1	1,108
West Bengal	1	2,519
TOTAL	85	344,458

* Includes Puducherry

The table below sets forth details of our revenue from operations across geographies for the periods indicated:

Region / State	Fiscal						Six months ended September 30, 2020		Six months ended September 30, 2021	
	2019		2020		2021		Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)
	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)				
South ⁽¹⁾	73,378.64	90.68%	73,060.62	91.06%	74,611.39	92.50%	19,607.22	93.86%	37,447.38	93.33%
West ⁽²⁾	4,189.30	5.18%	3,852.99	4.80%	3,241.45	4.02%	573.77	2.75%	1,351.45	3.37%
East ⁽³⁾	846.43	1.05%	554.34	0.69%	460.88	0.57%	99.36	0.48%	212.52	0.53%
North ⁽⁴⁾	2,504.05	3.09%	2,769.93	3.45%	2,349.21	2.91%	607.38	2.91%	1,112.26	2.77%
TOTAL	80,918.42	100.00%	80,237.88	100.00%	80,662.93	100.00%	20,887.73	100.00%	40,122.61	100.00%

Notes:

(1) South region comprises Kerala, Tamil Nadu, Karnataka, Andhra Pradesh and Telangana

(2) West region comprises Gujarat and Maharashtra

(3) North region comprises Delhi, Haryana, Punjab and Uttar Pradesh

(4) East region comprises West Bengal

Diversified product portfolio across categories and price points

As of January 31, 2022, our product portfolio comprises over 100,000 jewellery designs, including a wide range of gold, diamond and other jewellery products across different price points. Our products are also sold under eight sub-brands, and under stringent quality control processes, including various official and other tests for different jewellery. Each collection serves customers with different needs and preferences for different designs. Before we enter into a new city or a region, our managers generally conduct certain market study which is then communicated to the management indicating whether the market is suitable for opening a showroom.



Our sub-brands such as “Pride”, “Eleganza”, “Veda”, “Aparva”, “Ratna” and “Zenina”, are designed to cater to specific customer niches such as classic jewellery, contemporary jewellery and polki diamonds and precious stones jewellery. The following table illustrates our sub-brands and their design concepts:

Name	Logo
Pride Diamond Collection	
Eleganza Polki Diamond Collection	
Aparva Antique Collection	
Ratna Precious Stone Jewellery Collection	

Name	Logo
Veda Traditional Jewellery Collection	
Zenina 22 Karat Turkish Collection	
Masaaki Pearls	
Li'l Joy Kids' Jewellery	

Our products cater to different occasions including special occasions, such as weddings and party-wear, jewellery for personal milestones, festival jewellery, daily-wear jewellery, kid's jewellery and men's jewellery. Our products are available in multiple jewellery options, including rings, earrings, pendants, bracelets, necklaces, chains, waist bands and bangles. We cater to customers across age groups, at various price points which ensures that we are able to serve our customers across the entire life-cycle of their jewellery requirements. Our product profile includes traditional, contemporary and combination designs across jewellery lines, usages and price points. In addition, our access to a wide range of contract manufacturers who are smaller, localised jewellery manufacturers from various parts of India, allows us to offer a diverse product range. We actively engage with such manufacturers to ensure that the products are as per our specifications and suggested designs.

Strong track record of growth, profitability and unit economics

We have organically grown our operations and our revenue from operations were ₹ 80,918.42 million, ₹80,237.88 million and ₹80,662.93 million, ₹ 20,887.73 million and ₹ 40,122.61 million in Fiscals 2019, 2020 and 2021 and in the six months ended September 30, 2020 and September 30, 2021, respectively. In Fiscal 2021, we recorded the highest growth in EBITDA per square foot and amongst the highest profit after tax margins among the top players in India (*Source: Technopak Report*).

Our asset-light model is based on third-party manufacturing by long-standing vendor relationships, showroom size and layout, and long-term lease arrangements. Our operating expenses (that comprise salary, depreciation and other expenses, excluding finance cost) were ₹ 5,399.81 million, ₹ 5,400.85 million, ₹ 4,486.13 million, ₹ 1,803.48 million and ₹ 2,245.77 million in Fiscals 2019, 2020 and 2021 and in the six months ended September 30, 2020 and September 30, 2021, respectively and accounted for 6.67%, 6.73%, 5.56%, 8.63% and 5.60% of our total revenue from the same periods. Our limited showroom closures in the last three Fiscals (including on account of the impact of COVID-19) are indicative of our ability to identify the right location for our showroom and deliver strong operating profits.

We have witnessed consistent improvement in our balance sheet position in the last three Fiscals and in the six months ended September 30, 2021. Our total assets have grown from ₹ 38,401.83 million as of March 31, 2019 to ₹44,443.92 million as of March 31, 2020 and to ₹47,964.75 million as of March 31, 2021 and ₹42,939.93 million as of September 30, 2020 to ₹53,700.47 million as of September 30, 2021.

The following table sets forth certain key performance indicators for the periods indicated:

Particulars	As of and for the years ended March 31			CAGR (Fiscal 2019 to Fiscal 2021)	As of and for the six months ended September 30,	
	2019	2020	2021		2020	2021
	(₹ million, except percentages)					
Revenue from Operations						
- Gold	63,419.68	63,135.95	67,947.51	3.51%	18,079.57	33,244.23
- Diamonds	15,938.62	15,513.51	11,404.45	(15.41)%	2,467.58	6,052.87
- Others*	1,560.12	1,588.42	1,310.97	(8.33)%	340.58	825.51

Particulars	As of and for the years ended March 31			CAGR (Fiscal 2019 to Fiscal 2021)	As of and for the six months ended September 30,	
	2019	2020	2021		2020	2021
	₹ million, except percentages)					
Revenue per Showroom	998.99	933.00	948.98		245.74	472.03
EBITDA per Showroom	72.55	75.45	111.32	23.87%	58.29	58.64

* Others includes silver and pearls.

Experienced Promoter and management team with proven execution capabilities

Our business is consumer-centric. Our founder, Promoter and Managing Director, Alukkas Varghese Joy, has over 33 years of experience in the jewellery business and continues to provide strategic insights and overall direction to our business based on his long experience of understanding customer preferences and demands in the industry in which we operate. Forbes Middle East has recognized Alukkas Varghese Joy as one of the top 100 Indian leaders in UAE. He was also awarded the ‘NRI Businessman of the Year 2015’ by the Dhanam Magazine and has been honored with the ‘The Most Respected Entrepreneur in Kerala 2015’ by the Hurun Report. He was selected as the ‘Global Jeweler’ by The Times Group in Brand Icon 2014. We have leveraged on our Promoter’s industry experience and reputation to create a strong brand in the jewellery sector in India, with a wide customer base. In addition to our Promoter, our Board is composed of experienced industry and management professionals.

To strengthen our transition to a professionally managed business, we have an experienced and dedicated senior management team that comprises Baby George, Chief Executive Officer, Tom Jose, Chief Financial Officer and Hentry George Kannai, Chief Operating Officer. Our senior management team are responsible for the overall strategic planning and business development of our Company and have helped us in the expansion of our showroom network and developing and managing our online channel.

Strategies

Continue to expand our retail network in a cost-efficient manner by leveraging our Joyalukkas brand

We intend to leverage the scalability of our operations and expertise in developing the branded jewellery market in India to grow our network in existing and newer geographies. We are currently present in most parts of the southern region and intend to deepen our penetration in such regions, where there could be potential for further expansion due to the demand of jewellery in the region. Over the next two years, we intend to open eight new showrooms across India with a particular focus on the state of Telangana, Maharashtra, Odisha and Karnataka. We will continue to adopt a methodical approach in evaluating and selecting suitable locations for the establishment of new showrooms, such as local population density, rental lease rates, market potential, accessibility and proximity to our competitors. Our showrooms will be tailored to local preferences, with comprehensive offerings from our various product ranges, to target various customer and price segments as well as to provide custom made jewellery.

Focus on increasing the sale of studded jewellery

We also intend to use our branded jewellery lines and our wide retail operations to increase our market share in the jewellery industry in India. We intend to continue to increase our focus on studded jewellery going forward and in non-southern states in India as these products have become increasingly popular, and also typically have a higher margin profile than our gold jewellery. We intend to tailor our showrooms to offer prominent displays of such studded jewellery and, in many cases, have entire floors dedicated to such jewellery. We are continuing to explore opportunities to extend our product offerings in our various existing sub-brands, targeted at both specific customer niches as well as the luxury market focused on high-end gold and studded jewellery.

Focus on expanding our product and brand portfolio to cater to existing portfolio gaps

As of January 31, 2022, our product portfolio comprises over 100,000 jewellery designs, including a wide range of gold, diamond and other jewellery products. To maintain our operational efficiency, we intend to continue to develop our existing branded jewellery lines and introduce additional designs and seasonal product offerings to cater to our customers, and develop our diamond and platinum jewellery markets through expansion of our retail operations. We also intend to leverage our goodwill associated with our existing brand, to further develop our various sub-brands in target markets and product segments in India. We intend to do so through expansion of our retail operations, continued marketing initiatives, promotional campaigns and advertising.

Leveraging technology to grow our operations and focus on online channels

We have implemented various technology initiatives to ensure operational efficiency. We have invested in and implemented a cloud based enterprise resource planning solution that allows us to manage all our accounting, procurement and project and risk management functions. We have also implemented a cloud marketing solution for our marketing campaigns, social media and advertising efforts, and are revamping our e-commerce platform, with progressive web apps, artificial intelligence and virtual reality capabilities for relevance. We also manage our assets digitally with artificial intelligence and cognitive search capabilities, and are currently migrating our information technology infrastructure to software-as-a-service and platform-as-a-service cloud-based solutions. With the implementation of our technology initiatives, we intend to streamline our operations further and expect to decrease our operational expenses which we believe will drive our revenue growth.

Our strategy is to establish ourselves in the digital space through our online platforms as well as through online marketplaces. With the increasing use of the internet in India and the continued development of online channels, we expect that there will be a significant online market for the sale of jewellery, and as such, we have been able to extend our customer reach, capture market share and increase our sales through the digital mode with relatively lower investment. With the consistent development of our e-commerce platform, we expect to generate more revenues from the online channel. Once developed, our mobile apps will complement our social media presence, in allowing our brand more visibility and more exposure for an online presence, making up for those locations where we do not possess physical presence. 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. As per estimates by 2025 all fine jewellery will be digitally influenced (*Source: Technopak Report*).

Focus on B2B segment and arrangements with leading corporates

We follow a structured approach for our product development which involves market research, sales analysis, brand development, media campaigns and promotions. We believe that this has helped us forge relationships with our corporate customers and gain increased business through their customers/clients. Our structured approach towards brand development through our B2B offerings and our execution capabilities have enabled us to create relationships with leading corporate clients. We have a dedicated business division that caters to our corporate clients. As of January 31, 2022, we had served over 1,575 corporate clients. Our B2B business generated revenues of ₹ 2,179.95 million, ₹ 2,658.35 million, ₹ 1,575.51 million, ₹ 471.26 million and ₹ 1,097.16 million in Fiscals 2019, 2020, 2021, and the six months ended September 30, 2020 and September 30, 2021, respectively.

We also offer certain customized gifting options for our corporate-partners, based on their requirements. We aim at enhancing our corporate clientele that results in the creation of strong brand equity and increase our customer footfall and revenues. We offer corporate clients customized awards made in gold, mementos, gift accessories, branded gold bars and coins.

Continue to invest in our marketing and brand building initiatives.

Our marketing and promotion efforts seek to increase sales by increasing brand awareness that stimulates interest in our product range and entrenching our position in the Indian jewellery industry. The key marketing channels that we use on an ongoing basis include customer advertisements with specific coverage in local lifestyle, fashion magazines and events and newspapers, outdoor billboards and signage, online and television advertisements and celebrity endorsements. In Fiscals 2019, 2020, 2021 and in the six months ended September 30, 2020 and September 30, 2021, our spend towards our advertising and marketing activities was ₹ 1,374.10 million, ₹ 1,089.26 million, ₹ 511.67 million, ₹ 70.91 million and ₹ 170.02 million, and accounted for 1.70%, 1.36%, 0.63%, 0.34% and 0.42% of our revenue from operations in such periods. Going forward, our strategy is to increasingly market our products to our millennial customers through digital media, such as social media websites, rather than focusing primarily on print media. We believe our branding strategy helps us to retain existing customers and attract new customers. We intend to continue investing in our marketing initiatives and brand building exercise, including advertising through various media and celebrity endorsements. We also continue to provide effective training for our sales personnel in sales techniques and product knowledge. We believe that effective marketing is important for future revenue growth, enhancing our brand visibility, to establish relationships with target markets and to sell our products in a competitive and cost-effective manner.

Business Response to COVID-19

The novel coronavirus, COVID-19, was recognised as a pandemic by the WHO on March 11, 2020. In response to the COVID-19 outbreak, the governments of many countries, including India, took preventive or protective actions. This included imposing country and regional lockdowns and restricting travels and business operations in offices. In light of a government mandated lockdown in India, we had to close all our showrooms from March 2020 to May 2020. Gold demand in India dropped by 35% to 446 tonnes in Fiscal 2020. Quarterly analyses show that there was a close to 74% decline in demand for gold from the second quarter of Fiscal 2019, with an almost complete recovery in demand in the fourth quarter of Fiscal 2020 and the first quarter of Fiscal 2021 (*Source: Technopak Report*).

We had also taken proactive steps to reassure our customers regarding our supply chain and inventory, and improve the general hygiene and health in our showrooms. This included deep cleaning of our showrooms, temperature checks for our own employees and all customers stepping through our doors, and adequate social distancing between customers, as well as with our employees. We have also undertaken vaccination drives for our employees. We continue to prioritise the health and safety of our customers and employees. We have implemented strict procedures at all our showrooms, including staggered work shifts, safe distancing protocols, daily temperature screening and regular health checks. Our business during COVID-19 restrictions were stable due to our online sales and following the easing of lockdowns and resumption of economic activities, our operations have been steadily recovering month-on-month in Fiscal 2022. Our business model also remained resilient during COVID-19 times given that customers prefer large and organised businesses that have better health and safety protocols in outlets and prefer us to over local jewellers.

To reduce the impact of COVID-19 on our operations and for general cost saving purposes, we have proactively taken various steps to manage our expenses and liquidity, including reduction in our marketing and advertising costs, rationalizing administrative expenses, obtaining rent waivers or rent reductions for our showrooms, and a temporary freeze on hiring. This includes implementing a cloud-based enterprise resource planning solution to manage our accounting, procurement and project and risk management functions and a marketing cloud solution for our marketing campaigns, social media and advertising efforts. As a result of prompt action by our management team, we did not terminate the services of any of our employees or any contractual arrangements with our contract manufacturers during the lockdown period.

In addition, we capitalized on this opportunity to renegotiate our rental arrangements under various agreements with mall developers, landlords and lessors during the onset of the COVID-19 pandemic in India. Based on these rent relief negotiations, we arrived at negotiated agreements with respect to reductions in rent and our rental obligations during the COVID-19 crisis with a majority of our landlords. However, there can also be no assurance that we will be able to obtain such waivers or successfully further renegotiate these arrangements in the future. Further, in accordance with MCA Notification dated July 24, 2020 on Ind AS 116 (the “**MCA Notification**”), the Company has elected to apply the practical expedient of not assessing rent concessions as a lease modification for all lease concessions which are granted due to COVID-19 pandemic. Our rent waiver due to COVID-19 for the six months ended September 30, 2021 and 2020 and the financial year 2021 amounted to ₹ 111.22 million, ₹ 154.10 million and ₹ 245.12 million, respectively. For details, see “*Financial Statements – Restated Statement of Cash Flows*” on page 189.

Our Operations

Our business operations essentially centre around sale of jewellery. We conduct our jewellery business under the brand name “*Joyalukkas*”.

Products

Our jewellery products consist of four main products:

- Gold jewellery;
- Diamond jewellery;
- Silver jewellery; and
- Platinum and other precious metal/stones-based jewellery.

Product Offerings

Under *Joyalukkas*, we sell a range of jewellery products catered to customers with different needs and purposes. Our products are sold at different price points, and catered to different occasions, ranging from daily casual wear, to special occasion wear like weddings or festivals. We offer gold jewellery, diamond and other studded jewellery, as well as jewellery made from silver, platinum and other precious metal-based jewellery. Our average invoice value for the Fiscals 2019, 2020 and 2021 and six months ended September 30, 2021 and September 30, 2020 are ₹43,821, ₹47,115, ₹71,487, ₹ 65,800 and ₹ 66,756.15, respectively. The following table provides a breakdown of our revenue from operations by product category in the relevant periods:

Category	Fiscals						Six months ended September 30,			
	2019		2020		2021		2020		2021	
	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)
Gold	63,419.68	78.37%	63,135.95	78.69%	67,947.51	84.24%	18,079.57	86.56%	33,244.23	82.86%
Diamonds	15,938.62	19.70%	15,513.51	19.33%	11,404.45	14.14%	2,467.58	11.81%	6,052.87	15.08%

Category	Fiscals						Six months ended September 30,			
	2019		2020		2021		2020		2021	
	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)
Others*	1,560.12	1.93%	1,588.42	1.98%	1,310.97	1.62%	340.58	1.63%	825.51	2.06%
TOTAL	80,918.42	100.00%	80,237.88	100.00%	80,662.93	100.00%	20,887.73	100.00%	40,122.61	100.00%

*Others comprises silver and pearls.

In order to more effectively cater to different customers' needs and preferences, age groups, price point and genders, we have eight sub-brands, namely "Pride", "Eleganza", "Aparva", "Ratna", "Veda", "Zenina", "Masaaki pearls" and "Li'l Joy", to ensure that our offering closely matches the demographic of the customers. For details with respect to applications made for registration of certain sub-brands, see "Government and Other Approvals – Intellectual property" on page 299. These sub-brands are a way to ensure that we capture most of the market, with popular jewellery scaled to the target demographics, as well as niche jewellery for specific markets, localities and consumer groups. We tailor our showrooms to showcase prominent displays of our jewellery. Depending on the latest trends, promotions or occasions, we sometimes dedicate entire floors of our showroom to a particular sub-brand or collection.

Processing of Jewellery

Gold Jewellery

Our gold jewellery is sourced through four main routes. We purchase bullions or standard gold from bullion suppliers, banks as well as old gold jewellery from customers to be converted into finished jewellery. In Fiscal 2019, 2020 and 2021 and in the six months ended September 30, 2020 and September 30, 2021, we sourced 2,500.00 kilograms, 1,112.26 kilograms, 948.92 kilograms, 132.00 kilograms and 403.00 kilograms of gold, respectively, pursuant to such arrangements. The table below sets forth the breakdown of gold acquired through the various routes:

Route	Fiscal			Six months ended September 30, 2020	Six months ended September 30, 2021
	2019	2020	2021		
	Weight (tonnes)				
Bullions from suppliers	0.11	0.07	0.86	0.12	0.38
Banks through gold metal loans	2.39	1.05	0.09	0.01	0.02
Old jewellery	7.63	7.36	5.27	1.46	2.71
Finished gold jewellery	8.58	7.83	7.41	0.89	4.18
TOTAL	18.71	16.31	13.63	2.48	7.29

The old gold purchased from customers is inspected and checked using our internal processes. We also have implemented measures that allow us to track gold to the user that exchanged such gold. For customers that exchange old gold, we retain KYC documents. If payment is made to customers on account of buyback or old gold purchase, the payment is compulsorily done through bank transfers and we do not undertake any cash payments to customers.

We transfer the gold purchased in our showrooms to Thrissur, Kerala where it is melted, purified and converted into standard gold by third parties. For manufacturing, we have entered into job-work arrangements with independent contractors who manufacture the jewellery based on our designs and specifications according to local design trends and customer reviews. We issue purchase orders specifying the design and other specifications of the gold jewellery that we require. Our job-workers and/or contractors who assist in manufacturing our jewellery belong to a network of artisans throughout India who work as contract manufacturers and as our independent contractors to manufacture our products. Most of the contract manufacturers are long-term business partners of our Company, with whom we have executed agreements wherein we supply them with all raw materials and designs for our jewellery. We procure and supply raw materials, to our contract manufacturers and pay them a fee as a contractor. As of January 31, 2022, we had direct arrangements with 258 job workers. We generally inspect our contractors' facilities to ensure our jewellery is being manufactured in line with our designs and with the desired levels of quality.

We leverage the expertise and experience of local artisans as contract manufacturers who are able to implement our design specifications in line with regional preferences. This allows us to stay relevant and our products to meet the demands and preferences in local markets.

We also procure finished products from manufacturers and suppliers (wholesalers) from across India who manufacture and supply jewellery to us based on our designs and specifications and with whom we have agreements, adding to our inventory of jewellery pieces. This includes both gold jewellery and studded jewellery. Wholesalers from various parts of India and in

particular Mumbai, Kolkata, Hyderabad, Delhi and Surat engage with our purchase teams and exhibit their products. Our purchase teams also attend jewellery exhibitions to source new designs and suppliers.

- *Quality Control*

Upon receipt of the finished gold jewellery from the various job-workers and jewellers, we perform quality control inspections. Quality control involves physical verification and inspection of the finished jewellery products and mechanized purity check of the finished jewellery products on a test basis. The physical and mechanized verification is to ascertain the craftsmanship, finishing and purity of the jewellery products.

For our gold jewellery, we also perform hallmarking procedures, which is a gold purity assurance certification obtained from certain agencies certified by the BIS, a Central Government authority that is also a recognized certification authority in the gold jewellery industry. The hallmarking agencies test the purity of gold contained in the finished gold jewellery products and certifies such purity for each product. All of the gold jewellery except gold jewellery weighing less than two grams which is not required to be hallmarked that we sell through our showrooms is hallmarked by BIS.

Thereafter, prior to distribution to our showrooms, the hallmarked jewellery products are bar-coded. Bar-coding is a process of categorizing, branding and pricing of the jewellery pieces prior to display and sale. It provides the maximum price at which a finished jewellery product can be sold, and enables the tracking of the finished jewellery products from the time of barcoding until the sale of the jewellery product. Details such as gold content, item code, description of the item, weight, the name of the supplier, and stone value are typically included in the bar-coding of the finished jewellery products.

We then package our jewellery products accordingly, prior to the sale of the same. The packaging carries our “Joyalukkas” brand name, and is done at our showrooms.

Diamond Jewellery

Our diamond jewellery is sourced through two routes, by purchasing of finished diamond jewellery that is based on our Company’s designs and specifications, from independent jewellers or suppliers, and through contract manufacturing. The contract manufacturing arrangements are identical to the ones utilised by us for the manufacture of gold jewellery. As of January 31, 2022, we had arrangements with 150 suppliers for supply of diamond jewellery.

- *Quality Control*

Upon receipt of the finished diamond-studded jewellery, we conduct our quality control checks similar to that of our gold jewellery. Based on this test, the diamond jewellery is given a grade such as Flawless (FL), Internally Flawless (IF), Very Very Slightly Included (VVS), Very Slightly Included (VS), Slightly Included (SI) or Included (I).

The diamond jewellery is subsequently barcoded and packaged in a manner similar to the gold jewellery.

Platinum and Other Precious Metal/Stone-Based Jewellery

We source our platinum and other precious metal/stone-based jewellery solely through the purchase of finished jewellery that is based on our Company’s designs and specifications from independent jewellers/suppliers. The procedure followed for the sourcing of such jewellery is similar to that of gold, diamond and silver jewellery.

Our platinum jewellery is certified by Platinum Guild International (“PGI”) except certain smaller ornaments such as nose-pins. The PGI certification is a purity assurance certification. Our platinum and other precious metal/stone-based jewellery is barcoded and packaged prior to sale.

Silver Jewellery

Our silver jewellery is sourced through two routes, by purchasing of finished silver jewellery that is based on our Company’s designs and specifications from independent jewellers or suppliers, and through contract manufacturers. The contract manufacturing arrangements are identical to the ones utilised by us for the manufacture of gold and diamond jewellery.

Retail Operations

Showroom Network

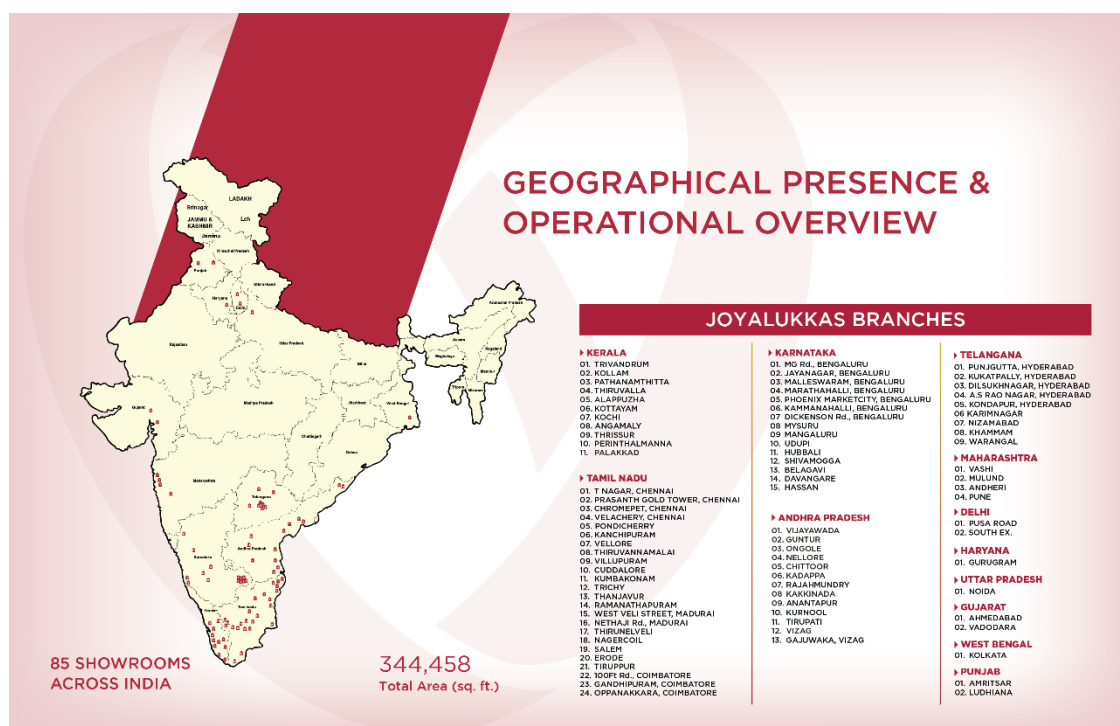
As of January 31, 2022, we operated 85 showrooms spread across 68 cities in India, with an entrenched presence towards south India. Cumulatively, the area of our showrooms is 344,458 square feet. The below table shows a breakdown of our presence across India as of September 30, 2021 and revenue from operations broken down by state in the relevant year/period:

States	No. of Showrooms	Aggregate Area (sq. ft.)	Revenue from Operations (₹ million)				
			Fiscal 2019	Fiscal 2020	Fiscal 2021	Six months ended September 30, 2020	Six months ended September 30, 2021
Tamil Nadu ⁽¹⁾	24	109,975	23,322.92	23,010.51	22,752.24	5,625.87	10,617.70
Karnataka	15	61,937	13,861.29	14,601.10	15,069.51	4,135.90	6,580.17
Andhra Pradesh	13	57,142	16,187.01	14,715.40	16,138.47	3,573.13	9,842.35
Telangana	9	47,976	10,998.06	12,576.12	12,098.73	3,439.12	7,013.32
Kerala	11	34,077	9,009.36	8,157.48	8,552.44	2,833.20	3,393.84
Maharashtra	4	13,432	2,984.08	2,790.96	2,450.34	381.88	959.62
Delhi	2	5,070	848.22	855.26	769.29	219.57	318.67
Punjab	2	4,564	284.33	555.73	469.03	146.08	243.01
Gujarat	2	4,558	1,205.22	1,062.04	791.11	191.89	391.83
West Bengal	1	2,519	846.43	554.34	460.88	99.36	211.52
Haryana	1	2,100	837.48	811.13	634.29	137.57	352.86
Uttar Pradesh	1	1,108	534.02	547.81	476.60	104.16	197.72
TOTAL	85	344,458	80,918.42	80,237.88	80,662.93	20,887.73	40,122.61

(1) Including Puducherry

For details in relation to use a portion of the Net Proceeds towards financing the opening of eight new showrooms, see “Objects of the Issue” on page 75.

The following map sets forth our showroom presence across India, as of January 31, 2022.



Showroom Selection

We continually try to expand our showroom network to capitalise on the Indian jewellery industry’s attractive market opportunities. Before we enter into a new city or a region, our managers generally conduct certain market study which is then communicated to the management indicating whether the market is suitable and there is demand for jewellery thereby impacting our decision to open a showroom in that particular region or city. We evaluate potential showroom locations based on customer demographics and proximity to our competitors. Our business development teams help identify viable locations for our showrooms while our projects team ensures that our showrooms maintain a standardized look and feel.

Showroom Design and Operations

Our showrooms are typically located in high-visibility, high-street areas, and stocked with our wide variety of jewellery products which allow us to target a broad consumer base across genders, socio-economic status levels and age groups. Products

in our showrooms offer a combination of regional designs customised to local tastes and preferences, as well as more broadly-appealing jewellery, offering customers access to a wide variety of products that may be difficult for local jewellers to replicate.

Our typical showroom has an average size of 4,000 square feet and 50 staff, majority of whom are sales personnel. We regard the presentation of jewellery in our showrooms as critical to foster a positive customer experience and our displays and showroom designs are also curated in a manner that caters to local tastes and preferences. All of our showrooms are operated and managed by us under the supervision of a store manager who is responsible for all showroom-level operations and who ultimately reports to the regional manager who then report to our Chief Operating Officer. As of January 31, 2022, we had 85 store managers and six regional managers. These are also the management staff who are involved in our inventory control strategies. For further details, see “ – *Our Operations – Inventory Management and Security*” on page 143.

We hire staff in our showroom who speak the relevant local language and understand the local culture in any given region in order to establish rapport and trust with customers and to provide a “local” feel to customers. All of our staff in our showrooms undergo training to ensure they are maintaining our brand standards and demonstrating our commitment to trust and transparency.

Thus far, we believe we have seen success in all the markets in which we have expanded. We consider our investments in new showrooms to be relatively low risk for us since the primary investment associated with a new showroom comprises of inventory, which can be easily transferred to other showrooms or converted to alternative products, thus significantly reducing the capital risk associated with a “failed” showroom. Showroom inventory is reorganised periodically on the basis of feedback from our marketing teams and customers, and slow-moving inventory is moved to other showrooms that may be more suitable for that particular product or design. We have historically managed inventory in our showrooms successfully through effective inventory management practices.

Online Sales

In March 2018, we had launched our online platform, www.joyalukkas.in to cater to younger and tech-savvy customers. Using the platforms, customers can browse our catalogue based on preferences, collections and designs, and purchase the jewellery directly and have it delivered to their homes. We have arrangements with third party logistics companies to deliver jewellery purchased online. Sales done through online marketplaces are fulfilled by their delivery partners. As such, we intend to leverage our increasing engagement with this tech-savvy consumer base to increase revenues for our jewellery sold online through www.joyalukkas.in.

In addition to jewellery, we also offer purchase advance schemes on our online platform, via our Easy Gold Scheme, where we allow the customer to plan for gold jewellery purchases up to 10 months in advance while offering the prevailing gold rate, discounted making charges and wastage save for special ornaments. The customer can then pay for their planned purchase in fixed monthly instalments starting from ₹1,000 and finally receive their purchase at their doorstep. Our online platform offers us another distribution channel to reach customers and potentially another avenue through which to drive further traffic to our showrooms.

Revenue from our online sales were ₹ 257.53 million, ₹ 342.55 million, ₹ 245.55 million, ₹ 70.36 million and ₹ 119.63 million in Fiscals 2019, 2020 and 2021, and the six months ended September 30, 2020 and the six months ended September 30, 2021 respectively and accounted for 0.32%, 0.43%, 0.30%, 0.34% and 0.30% of our total revenue from operations, respectively.

Pricing and Transparency

Our jewellery prices are programmed directly into our central ERP system. The prices are based mainly on our costs of production and costs of raw materials, as well as regulatory requirements like the applicable taxes and general market price trends. The price of the underlying gold component of our jewellery is based on prevailing market rates, accounting for the global market gold price (which is generally quoted in U.S. Dollars) and the relative value of the Indian Rupee. Our production charges and margins are determined by our senior management team in consultation with regional management.

We launch sales and promotions from time to time on certain of our products. These are set by the senior management and communicated to all of our showrooms for implementation.

We offer various purchase advance schemes from time to time, such as Easy Gold Scheme. Through this scheme, the customer can plan for gold jewellery purchases up to 10 months in advance while offering the prevailing gold rate, discounted making charges and wastage save for special ornaments. The customer can then pay for their planned purchase in fixed monthly instalments starting from ₹1,000 and finally receive their purchase at their doorstep. Instalment payments made for our purchase advance schemes are not refundable in cash in normal business condition, but can be used as credits at our showrooms and may be appropriated towards the purchase of our jewellery.

We are one of the leading jewellery companies in India in terms of revenue in Fiscal 2021 (*Source: Technopak Report*). We believe, we have built our “Joyalukkas” brand on core values of trust and transparency consistently. All of our jewellery items are accompanied by a detailed pricing tag disaggregating the various components, setting forth a break-up including the weight of the relevant jewellery item (comprising both the weight of the metal and any stones, given the large pricing differential between these components), the stone price, and the making charges being levied on the jewellery. Moreover, our sales staff is trained to develop long-term customer relationships for the purposes of repeat business, rather than a one-time sale. With each purchase, we also provide and explain to our customers our “four level product certification” which assures purity, offers lifetime product maintenance, exchange and buy-back terms and provides a detailed product description.

Marketing and Promotion

Our Brand

Our “Joyalukkas” brand has high brand recall through extensive market reach, consistent quality, innovative and customised design, high service level and an evolved marketing strategy (*Source: Technopak Report*). We believe that our focus on core values of trust and transparency has contributed to our strong brand recognition and customer loyalty. All of our gold jewellery is hallmarked by BIS except gold jewellery weighing less than two grams which is not required to be hallmarked.

Marketing

We believe that our prominence as a leading jewellery retail chain in India (*Source: Technopak Report*) is the result of our branding and our marketing efforts. We have strengthened our brand portfolio with local, targeted marketing strategies aimed at different customer profiles, various markets and price segments and for various uses and occasions. Our marketing initiatives include advertising through various media, traditional and non-traditional. Traditional media includes television advertisements, radio advertisements, advertisements in newspapers and magazines, hoardings and display, advertisements in cinema hall, bus terminals, railway stations and similar displays. We currently have engaged film actress Kajol as our celebrity brand ambassador.

Non-traditional media advertisements are meant to attract the digitally savvy crowd. This includes online advertisements and social media or in-app advertisements, as well as listing our products on major online marketplaces. Our social media presence includes Facebook, Twitter, and YouTube. The table below shows a breakdown of our social media presence on the various sites, as of January 31, 2022.

Platform	No. of Followers
Facebook	Over 1.10 million
Instagram	Over 128,000
YouTube	Over 26,000

In order to market our products more effectively, we acquire data to identify and understand customers from numerous sources. These sources include data gathered from physical visits and data entered on our online platform. Our access to data allows us to understand customer consumption patterns and preferences, enabling us to perform targeted advertising. As such, we are able to target customers through phone messages and calls, WhatsApp and e-mails in order to create awareness and update the customers about our brand and our offerings, as well as inform them of our latest promotions.

Inventory Management and Security

Efficient inventory management is critical to the success of our business. Our business model allows us to move inventory between showrooms based on feedback from our marketing teams, store personnel and our customers such that we can better align our jewellery offerings with customer preferences and to cater to specific variations in seasonal buying patterns. Furthermore, our ERP system allows real-time visibility into our inventory, allowing our management to respond quickly to seasonal trends and replenish or reallocate inventory accordingly, especially during festive seasons, such as Diwali, Dhanteras or Akshaya Trithiya.

We have strict inventory management and monitoring practices in place that allows us to account for each piece of inventory and to ensure efficiency. We plan our inventory procurement by taking into account targeted sales, inventory turnover and aging, and generally endeavour to maintain inventory levels in line with customer demand and seasonal trends. Our jewellery is identified with a unique barcode. Each piece of jewellery is tracked and monitored by computer systems in our showrooms, which are further linked to our central ERP system. We also implement daily inventory checks at the close of business in every showroom. A barcode inventory check is completed for a specific section of jewellery products each day whereby the barcode of each piece of inventory is physically scanned and compared against the ERP system. The remainder of the jewellery sections is then counted and verified by the store manager. Our regional managers make monthly visits to showrooms to perform inventory verifications whereby random sections of jewellery products are compared against the ERP system to test for variances. Our entire inventory is scanned, verified and confirmed by regional managers as part of their monthly visits.

Inventory is stored in our showrooms. It is displayed in counter and majority of items are moved to the strong room at the end of each day. As of January 31, 2022, we have 12 purchase offices spread across India. Items are purchased in these purchasing centres and the entire process of data entry, quality check and barcoding is done at the purchase centre and the items are thereafter transferred to the showrooms. Each showroom has a person responsible for purchase related affairs who coordinates with purchase centres for replenishment of items.

We also have a dedicated team that creates an annual budget at the beginning of each fiscal year for our gold and diamond procurement, taking into account our targeted annual sales and accordingly forecast the requisite inventory to hit that target. We regularly analyse our sales results, compare them against our sales targets and adjust jewellery distribution amongst showrooms accordingly, based on popularity or movement of the products.

Non-moving or slow moving items are transferred to other showrooms and also special incentives are offered to employees to push these products. We also run special promotion schemes to push sales of such products. For our studded jewellery, suppliers will exchange 10% - 15% of non-moving items with new designs, within a period of one year. The other non-moving items are melted and new items are manufactured.

Our security procedures are stringent to ensure our inventory is maintained securely. Our showrooms are equipped with closed-circuit surveillance cameras linked to a digital video recorders, as well as secure vaults with restricted access to a limited number of staff, and our jewellery is placed into these vaults at the close of business each day. We also have contracts with various reputable private security agencies who provide security guards to all of our showrooms. All jewellery in transit is fully insured and handled by third-party carriers under tight security.

Gold Hedging

While we endeavour to ensure that the profits we generate are derived primarily from value addition we create and not on account of changes to the price of gold, we employ various techniques to hedge our gold inventory to protect us from price fluctuations, including the use of gold metal loans, as well as forward contracts. Gold metal loans provide a natural hedge to any fluctuations in the price of gold. At the time of selling gold that is procured through gold metal loans, the rate of purchase can be fixed to align the buying and selling rate of the underlying gold. For gold purchased from customers as well as from regulated banks, forward contracts can be maintained to protect against fluctuations in the price of gold.

Technology

We have implemented a range of technological initiatives across our operational network with the aim of enhancing the experience of our customers and improving the efficiency of our operations.

In order to assist in managing day-to-day business activities such as accounting, project management, procurement, risk management, supply chain operations and various other compliance functions, we have commenced the use of a cloud-based ERP solution. This allows our Company to view, manage and interpret relevant data from a single place. It also encompasses customer relationship management (“CRM”) solutions, and is compatible and integrated with our current technology infrastructure. This enables us to engage in personalised, targeted advertising vis-à-vis our customers and continually update customer profiles each time a customer visits one of our showrooms, among other touchpoints, which provides our sales and marketing teams with additional information in order to offer products and promotions to customers that may be of interest based on past behaviour.

For marketing, we have recently employed a marketing cloud software to support our various marketing campaigns. Its capabilities include multi-channel campaign execution, dynamic customer journeys, pre and post-campaign analytics including audience building and segmentation, social media engagement and advertising, and a data management platform. We make use of the software’s “studios” function to manage and engage with customers using various channels of communication, including email studio, social studio for social media, and mobile studio for messaging and phone apps marketing.

To remain relevant and to optimise our operations, we are also revamping our e-commerce platform, www.joyalukkas.in, to enhance the online shopping experience we provide to our customers. We intend to input artificial intelligence, virtual reality and progressive web app capabilities. We are also migrating and integrating our current infrastructure to Software-as-a-Service or Platform-as-a-Service cloud-based solutions.

Competition

We operate in a highly competitive and fragmented market, and we face competition from both organised and unorganised companies in the Indian jewellery industry. Our main competitors are other organised jewellery retailers like GRT Jewellers, Kalyan Jewellers India Limited, Malabar Gold Private Limited, P.N. Gadgil Jewellers, PC Jeweller Limited, Senco Gold

Limited, Thangamayil Jewellery, Titan Company Limited (Tanishq), and Tribhovandas Bhimji Zaveri Limited as well as local jewellers and craftsmen, most of whom are from the unorganised sector (*Source: Technopak Report*).

Insurance

We have purchased insurance in order to manage the risk of losses from potentially harmful events, including a package insurance policy covering, fire, gold and cash in transit, burglary, electronic equipment insurance, machinery breakdown, plate glass, signboard, jewellers block, terrorism, public liability cover and any other risk, marine cargo insurance, a fidelity guarantee insurance policy, directors and officers liability insurance policy and commercial general liability insurance. These insurance policies are reviewed periodically to ensure that the coverage is adequate. Our insurance covers all our showrooms, our Registered and Corporate Office and our manufacturing unit.

Employees

As of January 31, 2022, we had 5,132 employees employed across all our locations. The following table provides a breakdown of our employees by function for the period indicated:

Department	Number of Employees
Administration	215
B2B	21
Construction and Maintenance	129
Finance	252
Information Technology	22
Internal Audit	7
Marketing	17
Purchase	242
Sales	4,227
TOTAL	5,132

Our employees are typically classified under three categories, namely, permanent employees, employees under probation and employees doing their apprenticeship. The table below sets forth the details of our employees under the aforementioned categories, as of January 31, 2022.

Particulars	Number of Employees
Permanent	3,633
Probation	1,052
Apprenticeship	447
TOTAL	5,132

Intellectual Property

As of January 31, 2022, our Company has registered and renewed 18 trademarks, of which 14 are registered under Class 14, three are registered under Class 35 and one is registered under Class 36.

The table below sets forth details of our registered trademarks:

Description	Class	Validity	Status
World's Favourite Jeweller	14	September 14, 2027	Registered
Joy Alukkas	14	July 3, 2026	Registered
Joyalukkas	14	March 9, 2030	Registered
Ayanna	14	January 8, 2031	Registered
Fliamma	14	January 8, 2031	Registered
Junoon	14	January 8, 2031	Registered
La Mode	14	January 8, 2031	Registered
Lalsa	14	January 8, 2031	Registered
Ligero	14	January 8, 2031	Registered
Linda	14	January 8, 2031	Registered
Madhuvanathi	14	January 8, 2031	Registered
Maithry	14	January 8, 2031	Registered
Joyalukkas Group Heart Logo	14	January 3, 2023	Registered
You & Me	14	November 20, 2023	Registered
Joyalukkas	35	March 9, 2030	Registered
Joy Alukkas	35	July 3, 2026	Registered

Description	Class	Validity	Status
Joyalukkas Group Heart Logo	35	January 3, 2023	Registered
Joyalukkas	36	July 2, 2026	Registered

Corporate Social Responsibility

We undertake our Corporate Social Responsibility (“CSR”) activities through the Joyalukkas Foundation. With the Joyalukkas Foundation, we have undertaken number of CSR projects. We built 250 homes; we have held blood donation camps, undertaken breast cancer awareness campaigns and initiated a tree-planting programme, ‘Joy4Earth’. We have also contributed to CSR initiatives across various domains including housing development, education and areas relating to healthcare of communities in semi-urban and rural areas.

Our CSR policy is in compliance with the requirements of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014. With our above strategies, we believe that we are adequately and actively engaging with our customers, present and potential, and localizing our brand.

Properties

We own 29 properties as of January 31, 2022. Our Registered and Corporate Office located at Fathima Nagar, Mission Quarters, Thrissur 680 005, Kerala, India is held by us on a leased basis for a period of twenty five years. Our manufacturing unit located at Loveshore Arcade, Door No.19/458/20 and 20A, Vanchikulam Road, Poothole P O, Thrissur 680 004, Kerala, India is established on freehold property of the Company. Further, majority of our showrooms across India are held by us on lease / leave and license basis. We generally enter into lease agreements with initial terms of five to 25 years for our office space and showrooms which are subject to lock-in for a certain duration over the respective term of such lease. We are required to pay a security deposit, specified monthly rentals and common area maintenance charges for the duration of our lease agreements, subject to periodic escalations at agreed rates. Also see, “*Risk Factors - A majority of our showrooms and our Registered and Corporate Office are located on leased premises. If we fail to renew these leases on competitive terms or if we are unable to manage our lease rental costs, our results of operations would be materially and adversely affected.*” on page 31.

Further, certain of our properties are under attachment by the Income Tax Department. For further details, see “*Risk Factors – Certain search and seizure operations were conducted by the Income Tax Department at the corporate office and showrooms of the Company, and residential premises of our Promoter and employees. We may be subject to adverse statutory and regulatory actions from the Income Tax Department or any other statutory or regulatory authority which may adversely impact our business, financial condition and reputation*” on page 24.

KEY REGULATIONS AND POLICIES

The following description is a summary of certain sector specific laws and regulations in India, which are applicable to us. The information detailed in this section has been obtained from publications available in the public domain. The regulations and their descriptions set out below may not be exhaustive and are only intended to provide general information to the bidders and are neither designed nor intended to substitute for professional legal advice. The statements below are based on the current provisions of Indian law, and remain subject to judicial and administrative interpretations thereof, which are subject to modification or clarification by subsequent legislative, judicial or administrative decisions.

Under the provisions of various Central Government and State Government statutes and legislations, our Company is required to obtain and regularly renew certain licenses or registrations and to seek statutory permissions to conduct our business and operations in India. For information regarding regulatory approvals required by our Company, see “*Government and Other Approvals*” on page 298.

INDIAN LAWS APPLICABLE TO OUR COMPANY

TRADE RELATED LAWS

Gem and Jewellery Export Promotion Council

The Kimberley Process Certification Scheme (“**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. The Government of India 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 KPCS. The KPCS has been implemented in India from January 1, 2003 by the Government of India through communication No. 12/13/2000-EP (GJ) dated November 13, 2002. The GJEPC has been identified as the nodal agency for trade in rough diamonds.

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 who are not exporters, 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. 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 a gold metal loan scheme to any other party for manufacture of jewellery.

The Legal Metrology Act, 2009 (“Legal Metrology Act”)

The 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 be based on the metric system only. The key features of the Legal Metrology Act are (a) appointment of Government approved test centres for verification of weights and measures; and (b) allowing the companies to nominate a person who will be held responsible for breach of provisions of the Legal Metrology Act. Any non-compliance or violation of the provisions of the Legal Metrology Act may result in, among others, a monetary penalty on the manufacturer or seizure of goods or imprisonment in certain cases.

The Bureau of Indian Standards Act, 2016 (“BIS Act”)

The 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 Hallmarking Scheme (“**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 BIS Hallmarking Regulations prescribe that all jewellery manufacturers must obtain a certificate of registration from the BIS in order to sell precious metal articles notified under the BIS Act. The certificate of registration shall be granted to a specific premise and will be valid for a period of five years. The Hallmarking of Gold Jewellery and Gold Artefacts Order, 2020, as amended, which came into effect on June 16, 2021, prescribes that gold jewellery and gold artefacts notified to be marked with hallmark in the notification of the Government of India, Ministry of Consumer Affairs, Food and Public Distribution, Department of Consumer Affairs number S.O. 2421(E), dated June 14, 2018, shall be sold only by registered jewellers through certified sales outlets, after fulfilling the terms and conditions of certificate of registration as specified in the BIS Hallmarking Regulations. However, certain precious metal articles are excluded from the above order, including any article meant for export, which conforms to any specification required by the foreign buyer, any article of gold thread and any article with weight less than two grams.

Foreign Trade (Development and Regulation) Act, 1992 (“FTDRA 1992”)

The FTDRA 1992 seeks to develop and regulate foreign trade by facilitating imports into and augmenting exports from India. The FTDRA 1992 prohibits a person or company from making any exports or imports unless such a person or company has been granted an importer-exporter code number.

Foreign Trade Policy (2015-2020) (“Foreign Trade Policy 2015-2020”)

The Foreign Trade Policy 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 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.

Additionally, nominated agencies and their associates, with approval of Department of Commerce, Ministry 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 passengers and import parcels by an Indian importer or foreign national may be permitted. The Ministry of Commerce and Industry, GoI has by way of a notification dated September 28, 2021, extended the period of the Foreign Trade Policy 2015-2020 to March 31, 2022.

ENVIRONMENT REGULATIONS

We are subject to various environment regulations as the operation of our establishments might have an impact on the environment in which they are situated. The basic purpose of the statutes given below is to control, abate and prevent pollution. In order to achieve these objectives, Pollution Control Boards (“PCBs”), which are vested with diverse powers to deal with water and air pollution, have been set up in each state and in the Centre. The PCBs are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking inspection to ensure that industries are functioning in compliance with the standards prescribed. These authorities also have the power of search, seizure and investigation. All industries are required to obtain consent orders from the PCBs, which are required to be periodically renewed.

Water (Prevention and Control of Pollution) Act, 1974 (“Water Act”)

The Water Act prohibits the use of any stream or well for the disposal of polluting matter, in violation of the standards set down by the State Pollution Control Board (“State PCB”). The Water Act also provides that the consent of the State PCB must be obtained prior to opening of any new outlets or discharges, which are likely to discharge sewage or effluent.

Air (Prevention and Control of Pollution) Act, 1981 (“Air Act”)

The Air Act requires that any individual, industry or institution responsible for emitting smoke or gases must apply in a prescribed form and obtain consent from the State PCB prior to establishing or operating any industrial plant in an air pollution control area. The State PCB is required to grant, or refuse, consent within four months of receipt of the application. The consent may contain conditions relating to specifications of pollution control equipment to be installed.

Environment Protection Act, 1986 (“EP Act”) and the Environment Protection Rules, 1986 (“EP Rules”)

The EP Act has been enacted with an objective of protection and improvement of the environment and for matters connected therewith. As per the EP Act, the Central Government has been given the power to take all such measures for the purpose of protecting and improving the quality of the environment and to prevent environmental pollution. Further, the Central

Government has been given the power to give directions in writing to any person or officer or any authority for any of the purposes of the EP Act, including the power to direct the closure, prohibition or regulation of any industry, operation or process. The EP Rules prescribes the standards for emission or discharge of environmental pollutants from industries, operations or processes, for the purpose of protecting and improving the quality of the environment and preventing and abating environmental pollution.

LAWS RELATED TO INTELLECTUAL PROPERTY

Trade Marks Act, 1999 (“Trade Marks Act”)

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 of such marks. Application for the registration of trademarks 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 among others. It also provides for penalties for infringement, falsifying and falsely applying trademarks and using them to cause confusion among the public.

LAWS RELATING TO TAXATION

In addition to the aforementioned material legislations which are applicable to our Company, some of the tax legislations that may be applicable to the operations of our Company include:

- Central Goods and Service Tax Act, 2017 and various state-wise legislations made thereunder;
- Integrated Goods and Services Tax Act, 2017;
- Income Tax Act 1961, as amended by the Finance Act in respective years;
- Indian Stamp Act, 1899 and various state-wise legislations made thereunder; and
- State-wise legislations in relation to professional tax.

LAWS RELATING TO EMPLOYMENT

In addition to the aforementioned material legislations which are applicable to our Company, some of the labour legislations that may be applicable to the operations of our Company include:

- Employee’s Compensation Act, 1923;
- Employees’ Provident Funds and Miscellaneous Provisions Act 1952;
- Employees’ State Insurance Act, 1948;
- Equal Remuneration Act, 1976;
- Industrial Disputes Act 1947;
- Industrial Employment (Standing Order) Act, 1946; Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979;
- Maternity Benefit Act, 1961;
- Minimum Wages Act, 1948;
- Payment of Bonus Act, 1965;
- Payment of Gratuity Act, 1972;
- Payment of Wages Act, 1936;
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
- Labour Welfare Fund legislations; and
- Shops and Establishments legislations.

In order to rationalize and reform labour laws in India, the Government of India has framed four labour codes, namely:

- a) The Industrial Relations Code, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume three existing legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946. The provisions of this code will be brought into force on a date to be notified by the Central Government.
- b) The Code on Wages, 2019 received the assent of the President of India on August 8, 2019 and proposes to subsume four existing laws 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 Central Government has notified certain provisions of the Code on Wages, mainly in relation to the constitution of the advisory board.
- c) The Occupational Safety, Health and Working Conditions Code, 2020 received the assent of the President of India on September 28, 2020 and proposes to subsume certain existing legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. The provisions of this code will be brought into force on a date to be notified by the Central Government.
- d) The Code on Social Security, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume certain existing legislations including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Unorganised Workers' Social Security Act, 2008. The provisions of this code will be brought into force on a date to be notified by the Central Government.

OTHER LAWS

Prevention of Corruption Act, 1988 ("PCA")

The PCA *inter alia*, provides that offering bribe to a public servant, a public servant receiving bribe with the intention to perform or cause performance of public duty improperly or dishonestly or to forbear or cause forbearance to perform an undue advantage, or receive an undue advantage without any consideration, or any abetment to any offences under the PCA, would amount to offences under the PCA. The PCA prescribes the investigation procedure and punishment of imprisonment and fine for such offenses. The PCA prescribes imprisonment terms for any abetment, attempt and habitual occurrence of offenses.

The Consumer Protection Act, 2019 ("COPRA")

The COPRA has been promulgated to provide for the protection of consumers' interests, to establish authorities for timely and effective administration and settlement of consumers' disputes and other connected matters. The Ministry of Consumer Affairs, Food and Public Administration issued the Consumer Protection (E-Commerce) Rules, 2020 under the COPRA, 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.

The Information Technology Act, 2000 (the "Information Technology Act") and the rules made thereunder

The Information Technology Act and the rules made under it seek to: (i) provide legal recognition to transactions carried out by various means of electronic data interchange involving alternatives to paper-based methods of communication and storage of information; (ii) facilitate electronic filing of documents; and (iii) create a mechanism for the authentication of electronic documentation through digital signatures. The Information Technology Act provides for extraterritorial jurisdiction over any offence or contravention under the Information Technology 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. Additionally, the Information Technology Act empowers the Government of India to direct any of its agencies to intercept, monitor or decrypt any information in the interest of sovereignty, integrity, defence and security of India, among other things.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was incorporated as a private limited company in the name of ‘Joy Alukkas Traders (India) Private Limited’ under the Companies Act, 1956 and a certificate of incorporation dated April 22, 2002 was issued by the RoC. Subsequently, the name of our Company was changed to ‘Joyalukkas India Private Limited’ pursuant to a special resolution passed by our shareholders on December 16, 2009 to reflect the expanded scope of the business activities of the Company, consequent to which a fresh certificate of incorporation dated December 23, 2009 was issued by the RoC. Our Company was converted from a private limited company to a public limited company and the name of our Company was changed to ‘Joyalukkas India Limited’ pursuant to a special resolution passed by our shareholders on November 15, 2010, consequent to which a fresh certificate of incorporation dated December 9, 2010 was issued by the RoC. Our Company was then converted from a public limited company to a private limited company and the name of our Company was changed to ‘Joyalukkas India Private Limited’ pursuant to a special resolution passed by our shareholders on January 14, 2012, consequent to which a fresh certificate of incorporation dated March 13, 2012 was issued by the RoC. Our Company was then converted from a private limited company to a public limited company and the name of our Company was changed to ‘Joyalukkas India Limited’ pursuant to a special resolution passed by our shareholders on February 18, 2021, consequent to which a fresh certificate of incorporation dated March 22, 2021 was issued by the RoC.

Changes in the registered office

Except as disclosed below, there has been no change in the registered office of our Company since the date of incorporation.

Date of change of registered office	Details of change of registered office	Reasons for change in the registered office
December 17, 2003	From 42/1385 A, Kurian’s Cottage, St. Benedict Road, Ernakulam District, Kochi 682 018, Kerala, India to 41/4108–E6, Kurian Towers, Banerjee Road, Ernakulam District, Kochi 682 018, Kerala, India	Operational efficiency
June 6, 2005	From 41/4108–E6, Kurian Towers Banerjee Road, Ernakulam District, Kochi 682 018, Kerala, India to Door No. 40/2096 A&B Peevees Triton, Shanmugham Road Marine Drive, Ernakulam District, Kochi 682 031, Kerala, India	Operational efficiency
April 28, 2018	From Door No. 40/2096 A&B Peevees Triton, Shanmugham Road Marine Drive, Ernakulam District, Kochi 682 031 Kerala, India to Door No. 5/309-3, Bishop Alapatt Road, Fathima Nagar, Mission Quarters, Thrissur District, Thrissur 680 005, Kerala, India	Operational efficiency

Main objects of our Company

The main objects contained in our Memorandum of Association are as follows:

- (a) *“To carry on the business of wholesale and retail dealers, manufacturers, importers and exporters of Gold and Silver ornaments, Gold Jewellery and Articles, Silver Jewellery and Articles, Diamond and Precious stones, platinum and White Gold Ornaments and accessories.*
- (b) *To carry on the business as producers, processors, makers, inventors, convertors, indenters, stockists, agents, subagents, merchants, consignors, dealers of jewellery metals, bullion gold, ornaments, diamonds, silver coins, and to carry on all or any of the business of goldsmiths, silver smiths, jewellers in gem and diamond merchants and trading in pearls, gems and all kinds of precious and semiprecious stones.”*

The main objects as contained in our Memorandum of Association enable our Company to carry on the business presently being carried out and proposed to be carried out by it.

Amendments to the Memorandum of Association

Set out below are the amendments to our Memorandum of Association in the last 10 years:

Date of Shareholders’ resolution/ Effective date	Particulars
April 30, 2013	Clause III C of the Memorandum of Association was amended to reflect the inclusion of the following clause to the other objects of the Company:

Date of Shareholders' resolution/ Effective date	Particulars
	<p><i>"5. To undertake and carry on the business of equipment leasing of movable and immovable properties of all kinds and description and right title and interest therein and leasing of all kinds of goods and articles including but not limited to Plant & machinery, vehicles, ships, vessels, aircraft's, apparatuses, computers etc., whether required for commercial, industrial or business use or for any purposes whatsoever."</i></p>
<p>January 15, 2021⁽¹⁾</p>	<ul style="list-style-type: none"> • Clause III A.1 of the Memorandum of Association was amended to reflect the change in the main objects clause pursuant to removal of <i>"trading in textile, fashion articles, perfumes and cosmetics"</i>, and new Clause III A.2 was added as: <p><i>"2. To carry on the business as producers, processors, makers, inventors, convertors, indenters, stockists, agents, subagents, merchants, consignors, dealers of jewellery metals, bullion gold, ornaments, diamonds, silver coins, and to carry on all or any of the business of goldsmiths, silver smiths, jewellers in gem and diamond merchants and trading in pearls, gems and all kinds of precious and semiprecious stones."</i></p> • Deletion of the following words in Clause III B.10: <i>"but the company shall not contribute to any political party or for any political purpose to any individual or body"</i> • Clause III B was amended to include the following objects incidental or ancillary to the main objects: <p><i>"32. To accept and receive deposits from shareholders of this company and public for fixed period and to provide for withdrawal of the same by such shareholders and public in whatever manner the Company may deem fit but not to do any banking business within the meaning of the provisions of the Banking Regulation Act, 1949.</i></p> <p><i>33. To adopt such means of making known the business of the Company as may seem expedient and in particular by advertising in the press, by circulars, ,slides, films, radio, television, by purchase and exhibition of works of art or interest, by publication of books and periodicals and by granting prizes and rewards.</i></p> <p><i>34. To sell, sublet or to enter into contracts, agreements or arrangements with any person, including government authorities, municipal, local or otherwise or any person or company that may seem conducive to the objects of the company or any of them to sell, the whole or any part of the property and business of the Company for cash or for shares or obligations of any person or persons or any other company having objects altogether or in part similar to those of the Company and to hold any such shares or obligations or to distribute them or any of them among the members of the Company, or to assist in forming and to subscribe for shares in any company intended to take over any part of the business or assets of the company.</i></p> <p><i>35. To undertake and execute trusts and to undertake the administration of estates as executors, trustees or otherwise.</i></p> <p><i>36. To borrow money on deposit repayable at fixed dates at interest for the purposes of financing the business of the Company on such terms as may seem expedient, subject to the provisions of Companies Act, 2013 without doing the business of Banking as defined in the Banking Regulation Act, 1949</i></p> <p><i>37. To remunerate any person or company for services rendered or to be rendered in placing or assisting to place or guaranteeing the placing of any of the shares in the Company's capital or any debenture stock of other securities of the Company or in connection with the formation or promotion of the Company or the conduct of its business.</i></p> <p><i>38. To establish and maintain any agencies in India or any part of the world, for the conduct of the business of the Company or for the sale of any materials or things for the time being at the disposal of the Company.</i></p> <p><i>39. Subject to the provisions of Companies Act 2013, to place, to reserve or to distribute as dividend or bonus shares among the members, or otherwise, to apply, as the Company may from time to time, think fit, any moneys received by way of premium on debentures issues at a premium by the Company and any moneys arising from the sale of the Company of forfeited shares or from any capital profit.</i></p> <p><i>40. To undertake and carry on the business of equipment leasing of movable and immovable properties of all kinds and description and right title and interest therein and leasing of all kinds of goods and articles including but not limited to Plant & machinery, vehicles, ships, vessels,</i></p>

Date of Shareholders' resolution/ Effective date	Particulars
	<p>aircraft's, apparatuses, computers etc., whether required for commercial, industrial or business use or for any purposes whatsoever.</p> <p>41. To sell, improve, manage, develop, exchange, lease, mortgage, dispose off or turn to account or otherwise deal with all or any part of the property and rights of the Company.”</p> <ul style="list-style-type: none"> The Memorandum of Association was amended to comply with the format prescribed under the Companies Act, 2013.
February 18, 2021	Clause I of the Memorandum of Association was amended to reflect the change of status of our Company from private limited company to public limited company and change in name of our Company from “Joyalukkas India Private Limited” to “Joyalukkas India Limited” pursuant to conversion to a public limited company.
September 27, 2021	<ul style="list-style-type: none"> Amended Clause III A.1 as below: <p>“To carry on the business of wholesale and retail dealers, manufacturers, importers and exporters of gold and silver ornaments, gold Jewellery and Articles, Silver Jewellery and Articles, Diamond and Precious stones, platinum and white gold ornaments and accessories.”</p> Clause V of the MoA was amended to reflect the increase in the authorised share capital of our Company from ₹1,000,000,000 divided into 100,000,000 Equity Shares of ₹10 each divided to ₹15,000,000,000 divided into 1,500,000,000 Equity Shares of ₹10 each

(1) Our shareholders, pursuant to a resolution dated March 20, 2019, approved an amendment to Clause II of the Memorandum of Association of our Company, to reflect change of registered office of the Company from the state of Kerala to the state of Karnataka. However, due to administrative inconvenience, the resolution was subsequently revoked, and no further corporate actions were taken to give effect to the change in the registered office of the Company.

Major events and milestones of our Company

The table below sets forth some of the key events in the history of our Company:

Calendar year	Event
2002	Company incorporated as a private limited company under the name and style of ‘Joy Alukkas Traders (India) Private Limited’
2002	Our Company commenced its business
2004	Opened the Company’s first showroom in Tamil Nadu at Coimbatore
2008	Achieved a turnover of ₹10,000 million for the first time in the financial year ended March 31, 2009
2009	Opened a showroom in Puducherry
2010	Opened the Company’s first showroom in Karnataka at Bengaluru
2011	Opened showrooms in Karol Bagh, New Delhi, Kumbakonam, Tamil Nadu and Mysuru, Karnataka
2012	Opened showrooms in Nellore, Andhra Pradesh, Tiruchirapalli, Tamil Nadu and Mangalore, Karnataka
2012	Introduced the concept of “Our Joy” customer care centres in B and C towns near our showrooms to provide personalized services through these feeder branches
2013	Opened showrooms in Kakinada, Andhra Pradesh, Vadodara and Ahmedabad, Gujarat, and Ramanathapuram, Tamil Nadu
2014	Opened showroom in Kadapa, Andhra Pradesh
2015	Opened showrooms in Tirupur, Tirunelveli, Nagercoil, and Tiruvannamalai, Tamil Nadu, Pusa Road, Delhi, Kukatpally, Telangana and Bengaluru and Udupi, Karnataka
2015	Achieved a turnover of ₹50,000 million in the financial year ended on March 31, 2015
2016	Opened showrooms in Hassan and Davangere, Karnataka
2017	Opened showrooms in Noida, Uttar Pradesh, and Anantapur and Kurnool, Andhra Pradesh
2017	Kajol was signed on as the brand ambassador of Joyalukkas group
2018	Opened showrooms in Marathahalli and Phoenix Market City, Bengaluru, Karnataka, Velachery, Perinthalmanna, Alappuzha and Palakkad, Kerala, Kondapur, Telangana and Andheri, Mumbai, Maharashtra
2018	Registered and corporate office shifted to Thrissur
2019	Opened showrooms in T Nagar, Chennai, Madurai and Coimbatore, Tamil Nadu, Bengaluru, Karnataka, and Ludhiana, Punjab
2019	Achieved a turnover of ₹80,000 million in the financial year ended on March 31, 2019

Awards, accreditations and recognitions received by our Company

Calendar year	Event
2015	“Selected Consumer Superbrand India 2015” at the Superbrands India Awards 2015
2018	“National Retail Chain of the Year” award at the 6 th GJTCI Excellence Awards by the Gem and Jewellery Trade Council of India
2019	“National Retail Chain of the Year” award at the 7 th GJTCI Excellence Awards by the Gem and Jewellery Trade

Calendar year	Event
	Council of India

Time and cost over-runs

There have been no time and cost over-runs in respect of our business operations.

Defaults or rescheduling, restructuring of borrowings with financial institutions/banks

There have been no defaults or rescheduling/ restructuring in relation to borrowings availed by our Company from any financial institutions or banks.

Significant financial or strategic partners

As of the date of this Draft Red Herring Prospectus, our Company does not have any significant financial or strategic partners.

Launch of key products or services, entry into new geographies or exit from existing markets, capacity/ facility creation or location of plants

For details of key products or services launched by our Company, entry into new geographies or exit from existing markets, capacity/facility creation, location of our manufacturing facilities, to the extent applicable, see “*Our Business*” on page 129.

Details regarding material acquisitions or divestments of business/ undertakings, mergers, amalgamations or any revaluation of assets, in the last 10 years

Our Company has not acquired any business or undertaking and has not undertaken any merger, amalgamation or revaluation of assets in last 10 years.

However, our Company sold the textile business of the Company, including fixed and movable assets and inventories on an out-right sale basis to Jolly Silks Private Limited, on April 30, 2012, for a consideration of ₹244.20 million with an objective to concentrate on the jewellery business, and ceased to operate the textile business upon such sale.

Holding Company

As of the date of this Draft Red Herring Prospectus, our Company does not have a holding company.

Our subsidiaries and joint ventures

As of the date of this Draft Red Herring Prospectus, our Company does not have any subsidiaries or joint ventures.

Shareholders’ agreements and other agreements

There are no arrangements or agreements, deeds of assignment, acquisition agreements, shareholders’ agreements, inter-se agreements or any other agreements between the Company, the Promoter and the Shareholders, agreements of like nature and clauses/ covenants which are material to the Company. Further, there are no clauses/ covenants which are adverse or prejudicial to the interest of the minority/ public shareholders of the Company.

Other agreements

Trademarks co-operation agreement dated March 10, 2022, entered into amongst the Company, Joy Alukkas Jewellery LLC, Dubai, UAE and Joy Alukkas Holdings, Inc., British Virgin Islands (“Trademark Agreement”)

Our Company and two overseas entities founded by our Promoter, namely, Joy Alukkas Jewellery LLC, Dubai, UAE and Joy Alukkas Holdings, Inc., British Virgin Islands (“**Overseas Group**”) operate their respective businesses under the brand name “Joyalukkas” in their respective territories and have created and use certain trademarks in the relevant territories in which they operate. Given the commercial and business value of each of the trademarks registered by the Company and the Overseas Group for their respective business, the parties have, to better preserve the value of the trademarks, agreed to use the trademarks in accordance with the terms of the Trademark Agreement. Pursuant to the terms of the Trademark Agreement, each party has agreed that it shall: (i) operate the business of manufacturing and selling jewellery in its respective territory, without interference or impediment with the other’s business; (ii) only use the relevant trademarks in the respective territories where it operates its business (i.e., the Overseas Group shall use the relevant trademarks for its or its affiliates business in countries outside India where the Overseas Group is, or proposes to be, engaged in the jewellery business and the Company shall use the relevant trademarks for its business within the territory of India); (iii) use the trademarks in accordance with the trademark and brand usage guidelines, standards and specifications (technical or otherwise), as communicated or approved by the Company from time to time; (iv) have the right to register new trademarks in relation to their business in their respective territories; and (v)

neither party shall at any time contest or challenge the title or validity of any of the trademarks owned by the other party or do anything that would diminish the title rights to the trademarks of the other party. The Overseas Group has undertaken that it shall not use the overseas trademarks or take any other action or intentionally commit any omission such that it would result in *inter alia* disparaging the trademarks or otherwise harming or prejudicing the goodwill attached thereto, jeopardizing the significance or distinctiveness of any trademarks, jeopardizing or invalidating any registration (or application thereof) of the trademarks, impairing, tarnishing or diluting any rights in the trademarks or defaming or causing reputational damage to the trademarks. The Overseas Group has further undertaken not to (i) seek any registration of the overseas trademark and/or any business names, corporate names, trademarks or logos which is identical to, or confusingly or deceptively similar to the Indian trademarks as a trade mark, registered design, internet domain name, user account, user name or equivalent identifier on social networking sites or related industry sites, in connection with the relevant business, in India; (ii) use the overseas trademarks in a way that suggests a common, deceptive or generic meaning; (iii) use the overseas trademarks for any unlawful or illegal purposes and in contravention of applicable law; (iv) obstruct, fail or refuse to agree and acknowledge that the Company is the sole owner of the Indian trademarks and has the exclusive right to protect the Indian trademarks; (v) commit any action or omission which prejudices the Company's legal and beneficial interest in the Indian trademarks; (vi) fail to take commercially reasonable efforts to maintain their rights and exercise quality control in relation to the overseas trademarks. The Trademark Agreement is effective for a period of 10 years from the effective date, being March 10, 2022, and renewable for successive periods as are mutually agreed to by the parties. The parties have agreed that the promises and mutual covenants contained in the Trademark Agreement are sufficient, adequate and the only consideration for Trademark Agreement. No separate monetary consideration is payable for the Trademark Agreement.

Non-competition agreement dated January 3, 2011 entered into between the Company and the Promoter (“Non-Competition Agreement”)

Pursuant to the Non-Competition Agreement, Alukkas Varghese Joy agreed not to, either individually or jointly, directly or indirectly or through his affiliates, own, manage, operate, join, have an interest in or control or participate in the ownership, management, operation or control of, or promote, start, undertake any entity which directly or indirectly competes with the “business” of the Company (as defined in the agreement) (i.e., manufacturing and retailing of jewellery and retailing of textiles, apparels and accessories in India). Except for the promises and mutual covenants, no separate consideration was paid for the Non-Competition Agreement. The Non-Competition Agreement became effective from January 3, 2011 and continues to be valid so long as Alukkas Varghese Joy and his affiliates collectively hold more than 50% of the paid-up equity share capital of the Company or have the power to exercise more than 50% of the voting rights in the Company, or until Alukkas Varghese Joy and his affiliates continue to exercise control over the Company (as defined under the Takeover Regulations), whichever is later.

Agreements with Key Managerial Personnel, Director, Promoter or any other employee

There are no agreements entered into by a Key Managerial Personnel or Director or Promoter or any other employee of our Company, 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 dealings in the securities of our Company.

OUR MANAGEMENT

Board of Directors

In terms of the Companies Act and our Articles of Association, our Company is required to have not less than three Directors and not more than fifteen Directors on the Board of Directors. As on the date of this Draft Red Herring Prospectus, our Board comprises six Directors including one Executive Director and five Non-Executive Directors of which three are Non-Executive Independent Directors. Our Board comprises one woman director.

The following table sets forth details regarding our Board of Directors as on the date of this Draft Red Herring Prospectus:

S. No.	Name, designation, address, occupation, date of birth, period of directorship and DIN	Age (years)	Other directorships
1.	<p>Alukkas Varghese Joy</p> <p><i>Designation:</i> Managing Director</p> <p><i>Address:</i> Joyalukkas Mansion, Alukkas House, Sobha City, P. O. Puzhakkal, Thrissur 680 553, Kerala, India</p> <p><i>Occupation:</i> Business</p> <p><i>Date of birth:</i> September 4, 1956</p> <p><i>Nationality:</i> Indian</p> <p><i>Period and term:</i> Re-appointed for a period of five years with effect from November 15, 2020 to November 14, 2025 and not liable to retire by rotation</p> <p><i>DIN:</i> 00313967</p>	65	<p>Indian companies:</p> <ul style="list-style-type: none"> • Dalia Hotels and Resorts Private Limited; • Joy Jets Private Limited; • Joyalukkas Lifestyle Developers Private Limited; • Joyalukkas Retail Private Limited; • Lionel Jewellery Private Limited; • Mall of Joy Private Limited; • Mudita Trades Private Limited; • Natura Lifestyle Private Limited; • Sarayu Developers Private Limited; • Thea Lifestyle Private Limited; and • Vaiga Properties Private Limited <p>Foreign companies:</p> <ul style="list-style-type: none"> • Joy Alukkas Holdings Inc., British Virgin Islands; • Joy Alukkas Jewellery Co WLL, Kingdom of Bahrain; • Joy Alukkas Jewellery Co WLL, Kuwait; • Joy Alukkas Jewellery LLC, Dubai, UAE; • Joy Alukkas Jewellery LLC, Sultanate of Oman; • Joy Alukkas Jewellery WLL, Qatar; • Joyalukkas Company Ltd, Kingdom of Saudi Arabia; • Joyalukkas Exchange Co WLL, Kuwait; • Joyalukkas Exchange LLC, Sultanate of Oman; • Joyalukkas Jewelry California Inc; • Joyalukkas Jewelry Georgia Inc;

S. No.	Name, designation, address, occupation, date of birth, period of directorship and DIN	Age (years)	Other directorships
			<ul style="list-style-type: none"> • Joyalukkas Jewelry Illinois Inc.; • Joyalukkas Jewellery International PTE. Ltd., Singapore; • Joyalukkas Jewelry Maryland Inc; • Joyalukkas Jewelry New Jersey Inc.; • Joyalukkas Jewellery SDN BHD, Malaysia; • Joyalukkas Jewelry Texas Inc.; • Joyalukkas Limited, United Kingdom; and • Joyalukkas US Holding Inc.
2.	<p>John Paul Joy Alukkas</p> <p>Designation: Non-Executive Director*</p> <p>Address: A. 069, 347 Al Merkad Premise no. 347995187, P. O. Box 12928, Dubai, UAE</p> <p>Occupation: Business</p> <p>Date of birth: October 14, 1985</p> <p>Nationality: Indian</p> <p>Period and term: Appointed with effect from July 29, 2021 and liable to retire by rotation</p> <p>DIN: 00314046</p>	36	<p>Indian companies:</p> <p>Nil</p> <p>Foreign companies:</p> <ul style="list-style-type: none"> • Joy Alukkas Co WLL, Bahrain; • Joy Alukkas Company Ltd, Saudi Arabia; • Joy Alukkas Holdings Inc.; • Joy Alukkas Jewellery LLC, Dubai; • Joy Alukkas Jewellery LLC, Oman; • Joy Alukkas Jewellery WLL, Qatar; • Joyalukkas Jewellery International PTE Ltd; • Joyalukkas Jewellery SDN, BHD, Malaysia; • Joyalukkas Jewelry California Inc; • Joyalukkas Jewelry Georgia Inc; • Joyalukkas Jewelry Illinois Inc.; • Joyalukkas Jewelry Maryland Inc; • Joyalukkas Jewelry New Jersey Inc.; • Joyalukkas Jewelry Texas Inc.; • Joyalukkas Ltd, United Kingdom; and • Joyalukkas US Holdings INC
3.	<p>Thomas Scaria Kalappurackal</p> <p>Designation: Non-Executive Director*</p> <p>Address: 509, 134 Al Mamzar, Premise no. 134043502, P. O. Box 12928, Dubai, UAE</p> <p>Occupation: General Manager, Finance</p>	43	Nil

S. No.	Name, designation, address, occupation, date of birth, period of directorship and DIN	Age (years)	Other directorships
	<p><i>Date of birth:</i> June 1, 1978</p> <p><i>Nationality:</i> Indian</p> <p><i>Period and term:</i> Appointed with effect from July 31, 2021 and liable to retire by rotation</p> <p><i>DIN:</i> 09262746</p>		
4.	<p>Alex Kalluvila Babu</p> <p><i>Designation:</i> Non-Executive Independent Director*</p> <p><i>Address:</i> House no. 1/ 60, Varakkal Temple Road, PO West Hill, Kozhikode 673 005, Kerala, India</p> <p><i>Occupation:</i> Business</p> <p><i>Date of birth:</i> November 9, 1979</p> <p><i>Nationality:</i> Indian</p> <p><i>Period and term:</i> Appointed with effect from July 29, 2021 for a period of five consecutive years and not liable to retire by rotation</p> <p><i>DIN:</i> 01254207</p>	42	<p>Indian companies:</p> <ul style="list-style-type: none"> • Aesthetics Securities Private Limited; • Anuja Property Developers Private Limited; • Baby Marine Seafood Retail Private Limited; • Carlton Logistics Private Limited; • Cordate Property Developers Private Limited; • Hedge Commodities Limited; • Hedge Equities Limited; • Hedge Finance Limited; • Hedge Properties Private Limited; • Hedge School of Applied Economics Limited; • Hedge info Systems Private Limited; • Modus Logistics Private Limited; • Omnicore Solutions Private Limited; • Trigger Logistics Private Limited; and • Young Presidents Organisation (Kerala Chapter) <p>Foreign companies:</p> <p>Nil</p>
5.	<p>Lava Krishnan</p> <p><i>Designation:</i> Non-Executive Independent Director*</p> <p><i>Address:</i> Villa 4, SFS Gardenia, Pappaly Road, Vazhakkala, Kakkanad, Ernakulam 682 030, Kerala, India</p> <p><i>Occupation:</i> Business</p> <p><i>Date of birth:</i> June 25, 1960</p> <p><i>Nationality:</i> Indian</p> <p><i>Period and term:</i> Appointed with effect from July 29, 2021 for a period of five consecutive years and not liable to retire by rotation</p> <p><i>DIN:</i> 01714370</p>	61	<p>Indian Companies:</p> <ul style="list-style-type: none"> • Bluefords Private Limited; and • Skyline Foundations and Structures Private Limited <p>Foreign companies:</p> <p>Nil</p>

S. No.	Name, designation, address, occupation, date of birth, period of directorship and DIN	Age (years)	Other directorships
6.	<p>Pushpy B. Muricken</p> <p>Designation: Non-Executive Independent Director*</p> <p>Address: Kodiyatt, 5-Vrindavanam, Subhash Chandra Bose Road, Vytilla P.O., Elamkulam, Kochi 682019, Kerala, India</p> <p>Occupation: Practising cost accountant</p> <p>Date of birth: May 8, 1974</p> <p>Nationality: Indian</p> <p>Period and term: Appointed with effect from July 29, 2021 for a period of five consecutive years and not liable to retire by rotation</p> <p>DIN: 03431198</p>	47	<p>Indian Companies:</p> <ul style="list-style-type: none"> Muthoot Microfin Limited <p>Foreign companies:</p> <p>Nil</p>

*The appointment of John Paul Joy Alukkas, Thomas Scaria Kalappurackal, Alex Kalluvila Babu, Lava Krishnan and Pushpy B. Muricken was regularised with effect from September 27, 2021 pursuant to the Shareholders' resolution dated September 27, 2021.

Relationship between our Directors

Except Alukkas Varghese Joy, our Managing Director, being the father of one of our Non-Executive Directors, John Paul Joy Alukkas, none of our Directors are related to each other.

Brief Biographies of Directors

Alukkas Varghese Joy is the Promoter of our Company and was appointed as the first Managing Director of our Company on April 22, 2002. On account of joining the family business at an early age, Alukkas Varghese Joy has not completed his education. He has over 33 years of experience in the jewellery industry. Forbes Middle East has recognized Alukkas Varghese Joy as one of the top 100 Indian leaders in UAE. He was awarded the 'NRI Businessman of the Year 2015' by the Dhanam Magazine. He has been honored with the 'The Most Respected Entrepreneur in Kerala 2015' by the Hurun Report. He was selected as the 'Global Jeweler' by The Times Group in Brand Icons 2014. He is also a director on the board of directors of other companies including Joy Alukkas Holdings Inc., British Virgin Islands and Joy Alukkas Jewellery LLC, Dubai, UAE.

John Paul Joy Alukkas is a Non-Executive Director of our Company. He holds a bachelor's degree in business administration (marketing) from Manipal University, Manipal and a diploma from International Gemological Institute. He also completed a senior executive leadership program from Harvard Business School. He has over 12 years of experience in marketing and strategic planning. He is the managing director of Joy Alukkas Jewellery LLC, Dubai and has been associated with Joy Alukkas Jewellery LLC, Dubai since 2009.

Thomas Scaria Kalappurackal is a Non-Executive Director of our Company. He holds a bachelor's degree in commerce from the Faculty of Commerce, Mahatma Gandhi University, Kottayam. He is a fellow member of the ICAI and a fellow of the Institute of Chartered Accountants in England and Wales. He is an associate member of the Accountants and Auditor's Association, UAE. He has also completed the post-qualification course in information systems audit conducted by the ICAI and the Strategic CFO Program 2020 from MECA CFO Academy, USA. He holds a certificate of achievement from HarvardX for completing a course on 'Entrepreneurship in Emerging Economies'. He has over 18 years of experience in finance, treasury, accounts and audit. He was appointed as general manager, finance, international operations of Joy Alukkas Jewellery LLC, Dubai in 2021.

Alex Kalluvila Babu is a Non-Executive Independent Director of our Company. He holds a bachelor's degree in technology in mechanical engineering from the Cochin University of Science and Technology. He has over 19 years of experience in finance. He has been associated with Hedge Finance Limited since 2011 and is presently its managing director. He was also the director, international marketing and business finance at Baby Marine (Eastern) Exports, for a period of five years. He has been working at Hedge Equities Limited since 2005 and is a director on the board of directors of Hedge Equities Limited.

Lava Krishnan is a Non-Executive Independent Director of our Company. He holds a bachelor's degree of science in mechanical engineering from University of Kerala. He has over 28 years of experience in the real estate industry. He has been the working partner of Skyline Builders (Trivandrum) since 1993. He has been the managing director of Skyline Foundation and Structures Private Limited since 2006.

Pushpy B. Muricken is a Non-Executive Independent Director of our Company. She holds a bachelor's degree in law from

the Faculty of Law, Mahatma Gandhi University, Kottayam. She is a practising member of the Institute of Cost Accountants of India. She has over 20 years of experience in finance, law, costing, and accounting. She is the sole proprietor of P. B. Muricken & Associates since 2011. She is also the general secretary of Women Entrepreneurs Network Foundation since 2017. She was an active member of the Ladies Forum of Kerala Chamber of Commerce and Industry (“**KCCI Ladies Forum**”) and she was the joint convener of the KCCI Ladies Forum for the period 2015-2016. She was previously associated with Rajagiri College of Social Sciences (Autonomous), Kalamassery as a guest faculty from January 2016 to March 2018.

Confirmations

None of our Directors is, or was a director of any listed company during the last five years preceding the date of this Draft Red Herring Prospectus, whose shares have been, or were suspended from being traded on any of the stock exchanges during the term of their directorship in such company.

No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms or companies in which they are interested by any person, either to induce them to become, or to help such Director to qualify as a Director, or otherwise for services rendered by them or by the firm or company in which they are interested, in connection with the promotion or formation of our Company.

None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange during the term of their directorship in such company.

Terms of appointment of Directors

1. Remuneration to Executive Director:

Alukkas Varghese Joy was re-appointed as the Managing Director of our Company pursuant to the agreement for appointment of Managing Director dated October 14, 2020 between our Company and Alukkas Varghese Joy and a Board resolution dated October 14, 2020. He was paid a total remuneration of ₹90.00 million during Fiscal 2021. The Board and Shareholders, pursuant to resolutions dated April 1, 2021 and September 27, 2021, respectively, have approved the following remuneration payable to Alukkas Varghese Joy effective from April 1, 2021:

Particulars	Remuneration
Basic Salary	₹10.00 million per month, with an annual increase not exceeding 20% of the last drawn salary.
Commission	The commission payable to Alukkas Varghese Joy as Managing Director has been waived off with effect from Fiscal 2021.
Perquisites	Including but not limited to fully furnished accommodation or house rent allowance subject to annual ceiling of two months basic salary, gas, electricity, water and other amenities subject to an annual ceiling of one month’s basic salary, medical expenses for self, spouse, dependent children and dependent parents subject to an annual ceiling of one month’s salary, fees of clubs subject to a ceiling of two clubs (not including admission and life membership fees), leave travel allowance subject to an annual ceiling of one month’s basic salary, cost of insurance cover against the risk of any financial liability or loss because of any error of judgments as the managing director of the Company, actual life insurance coverage for a minimum sum insured of 24 times of the last month’s basic salary, provident funds and superannuation, gratuity benefits.

Alukkas Varghese Joy is not entitled to receive any sitting fees for attending meetings of the Board or any committee thereof.

2. Remuneration to Non- Executive Directors:

Pursuant to the Board resolution dated August 2, 2021, the Non-Executive Independent Directors, are entitled to receive sitting fees of ₹0.05 million per meeting for attending meetings of the Board and meetings of committees of the Board, within the limits prescribed under the Companies Act, and the rules made thereunder. Pursuant to the Board resolution dated August 2, 2021, the other Non-Executive Directors are not entitled to receive any sitting fees for attending meetings of the Board or any committee thereof until such time as the Board decides otherwise.

Our Company has not paid any remuneration or sitting fees to Non-Executive Directors, including our Non-Executive Independent Directors, during Fiscal 2021.

Arrangement or understanding with major Shareholders, customers, suppliers or others

Our Company and our Directors do not have an arrangement or understanding with the major Shareholders, customers, suppliers or others, pursuant to which any of our Directors were appointed on our Board or as a member of the senior management.

Shareholding of Directors in our Company

As per our Articles of Association, our Directors are not required to hold any qualification shares.

Except as disclosed below, as on date of this Draft Red Herring Prospectus, none of our Directors hold any Equity Shares in our Company.

S. No.	Name	No. of Equity Shares	Percentage of the pre-Issue Equity Share Capital (%)	Percentage of the post-Issue of Equity Share Capital (%)
1.	Alukkas Varghese Joy	770,256,300	99.98%	[•]
2.	John Paul Joy Alukkas	110,000	0.01%	[•]
Total		770,366,300	99.99%	[•]

Appointment of relatives of our Directors to any office or place of profit

Elsa Joy Alukkas, who is the daughter of our Managing Director, Alukkas Varghese Joy, and sister of John Paul Joy Alukkas, one of our Non-Executive Directors, holds the position of manager business development in our Company and received a total remuneration of ₹4.66 million in Fiscal 2021 from the Company.

Other than as disclosed above, none of the relatives of our Directors currently hold any office or place of profit in our Company.

Interests of Directors

All Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of our Board or committees thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them under our Articles of Association, and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company.

Except as stated in “*Other Financial Information- Related Party Transactions*” on page 245, and as disclosed in this section, our Directors do not have any other interest in our business.

Our Directors may also be regarded as interested in the Equity Shares held by them or that may be subscribed by or allotted to the companies, firms and trusts, in which they are interested as directors, members, partners, trustees and promoter, pursuant to this Issue. All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Other than Alukkas Varghese Joy, who is the Promoter and Managing Director of our Company, none of our Directors have any interest in the promotion or formation of our Company. He is also the first Managing Director of our Company.

Except as stated in “*Our Promoter and Promoter Group*” on page 173, none of our Directors have any interest in any property acquired in the three years preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Except as stated in “*Our Promoter and Promoter Group*” on page 173, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of our Directors except the normal remuneration for services rendered as Directors.

No loans have been availed by our Directors from our Company. Our Managing Director, Alukkas Varghese Joy is interested to the extent of personal guarantees provided by him, his spouse, Jolly Joy and his daughter, Mary Jeny Joy, who are members of the Promoter Group and the corporate guarantees provided by certain companies in which he may be interested for financing availed from some of our lenders. Alukkas Varghese Joy and certain companies in which he may be interested have also offered certain personal immovable properties as collateral security in relation to financing availed from some of our lenders. For details, see “*Our Promoter and Promoter Group*” and “*Financial Statements*” on pages 173 and 182, respectively.

None of the Directors is a party to any bonus or profit-sharing plan of our Company other than the performance linked incentives given to the Directors.

Changes in the Board in the last three years

Name	Date of Appointment/ Change/Cessation	Reason
Thomas Scaria Kalappurackal	September 27, 2021	Appointment as a Non-Executive Director [#]
John Paul Joy Alukkas	September 27, 2021	Appointment as a Non-Executive Director [#]

Name	Date of Appointment/ Change/Cessation	Reason
Pallikkunnan D. Jose	July 30, 2021	Resignation as a Whole-time Director
Joseph Christo	July 30, 2021	Resignation as an Executive Director
Alex Kalluvila Babu	July 29, 2021	Appointment as an Additional Non-Executive Independent Director*
Lava Krishnan	July 29, 2021	Appointment as an Additional Non-Executive Independent Director*
Pushpy B. Muricken	July 29, 2021	Appointment as an Additional Non-Executive Independent Director*
Alukkas Varghese Joy	November 15, 2020	Re-appointment as a Managing Director
Puthukkaden Pyloth Jose	September 2, 2020	Resignation as a Director
Joseph Christo	June 22, 2020	Appointment as an Additional Executive Director

*Thomas Scaria Kalappurackal and John Paul Joy Alukkas were appointed as Additional Executive Directors on July 31, 2021 and July 29, 2021, respectively pursuant to the Board resolution dated July 29, 2021.

*The appointment of Alex Kalluvila Babu, Lava Krishnan and Pushpy B. Muricken as Non-Executive Independent Director was regularised with effect from September 27, 2021 pursuant to the Shareholders' resolution dated September 27, 2021.

Borrowing Powers of Board

Pursuant to our Articles of Association, and in accordance with the provisions of the Companies Act, and the rules made thereunder, and the Shareholders' resolution dated December 12, 2014, our Board is authorised to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by our Company, on such movable and immovable properties, both present and future, or the whole, or substantially the whole of the undertaking of our Company, and with such ranking as to priority and for such time and on such terms and in such manner as the Board may think fit in favour of banks, financial institutions and other persons (collectively referred to as "**Lenders**") to secure the borrowings of the Company availed to be availed by way of loan(s) (in foreign currency and/or rupee currency), from time to time, subject to the limits approved under Section 180(1)(c) of the Companies Act, 2013, together with interests, compound/additional interest, commitment charges, costs, expenses and all other monies payable by the Company to the Lenders under their respective agreements/ loan agreements entered/ to be entered into by the Company in respect of the said borrowings.

Corporate Governance

The corporate governance provisions of the SEBI Listing Regulations will be applicable to us immediately upon the listing of the Equity Shares on the BSE and NSE. We are in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, the Companies Act and the SEBI ICDR Regulations, in respect of corporate governance including constitution of the Board and committees thereof and formulation of policies. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board committees, as required under law.

Our Board has been constituted in compliance with the Companies Act and the SEBI Listing Regulations and the guidelines issued thereunder from time to time. Our Board comprises six Directors including one Executive Director and five Non-Executive Directors, of which three are Non-Executive Independent Directors. Our Board comprises one woman director.

Committees of the Board

Audit Committee

The members of the Audit Committee are:

1. Pushpy B. Muricken, *Chairperson*;
2. Thomas Scaria Kalappurackal; and
3. Alex Kalluvila Babu

The Audit Committee was constituted by the meeting of the Board held on August 2, 2021. The scope and function of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and the SEBI Listing Regulations.

The terms of reference of the Audit Committee include:

1. Oversight of the Company'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, replacement, reappointment, remuneration and terms of appointment of auditors of the Company;
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:
 - a) Matters required to be included in the director's responsibility statement to be included in the Board's report, in terms of the Companies Act, 2013, as amended;
 - b) Changes, if any, in accounting policies and practices and reasons for the same;
 - c) Major accounting entries involving estimates based on the exercise of judgment by management;
 - d) Significant adjustments made in the financial statements arising out of audit findings;
 - e) Compliance with listing and other legal requirements relating to financial statements;
 - f) Disclosure of any related party transactions; and
 - g) 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 issue 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 Company with related parties. Provided that only those members of the audit committee, who are independent directors, shall approve related party transactions;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, 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, internal auditors, secretarial auditors and cost 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 may be required / mandated by the Board from time to time and/ or mandated as per the provisions of the SEBI Listing Regulations, the Companies Act, 2013, the listing agreements to be entered into between the Company and the respective stock exchanges on which the equity shares of the Company are proposed to be listed and/or any other applicable laws;
21. Reviewing the utilization of loan and/or advances from investment by the holding company in the subsidiary exceeding ₹100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;

22. Considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders.

The Audit Committee shall have powers, which should include the following:

1. To investigate any activity within its terms of reference;
2. To seek information from any employee of the Company;
3. To obtain outside legal or other professional advice;
4. To secure attendance of outsiders with relevant expertise, if it considers necessary; and
5. Such powers as may be prescribed under the Companies Act, 2013 and SEBI Listing Regulations.

The Audit Committee shall mandatorily review the following information:

1. management discussion and analysis of financial condition and results of operations;
2. statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
3. management letters / letters of internal control weaknesses issued by the statutory auditors;
4. internal audit reports relating to internal control weaknesses;
5. the appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the Audit Committee; and
6. statement of deviations as and when becomes applicable:
 - a) quarterly statement of deviation(s) submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations.
 - b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of the SEBI Listing Regulations.

Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

1. Alex Kalluvila Babu, *Chairperson*;
2. John Paul Joy Alukkas;
3. Lava Krishnan; and
4. Pushpy B. Muricken

The Nomination and Remuneration Committee was constituted by the meeting of the Board held on August 2, 2021. The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations.

The terms of reference of the Nomination and Remuneration Committee include:

1. Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
2. 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. Formulating criteria for evaluation of performance of independent directors and the Board of Directors;
 4. Devising a policy on diversity of Board;
 5. 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 of Directors their appointment and removal;
 6. Extending or continuing the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
 7. Recommending to the Board, all remuneration, in whatever form, payable to senior management.
 8. Carrying out any other function as may be required/ mandated by the Board from time to time and/ or mandated as per the provisions of the SEBI Listing Regulations, the Companies Act, 2013, the listing agreements to be entered into between the Company and the respective stock exchanges on which the equity shares of the Company are proposed to be listed and/or any other applicable laws; and
 9. Performing such other functions as may be necessary or appropriate for the performance of its duties.

Stakeholders' Relationship Committee

The members of the Stakeholders' Relationship Committee are:

1. Alex Kalluvila Babu, *Chairman*;
2. John Paul Joy Alukkas; and
3. Pushpy B. Muricken

The Stakeholders' Relationship Committee was constituted by the meeting of the Board held on August 2, 2021. The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations.

The terms of reference of the Stakeholders' Relationship Committee are as follows:

1. To consider and resolve 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. and assisting with quarterly reporting of such complaints;
2. To review measures taken for effective exercise of voting rights by shareholders;
3. To review adherence to the service standards adopted by the Company in respect of various services being rendered by the RTA;
4. To review 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; and
5. Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act, 2013 or the SEBI Listing Regulations or by any other regulatory authority.

Corporate Social Responsibility Committee

The members of the Corporate Social Responsibility Committee are:

1. Lava Krishnan, *Chairman*;
2. Alukkas Varghese Joy; and
3. Thomas Scaria Kalappurackal

The Corporate Social Responsibility Committee was last reconstituted by the meeting of the Board held on August 2, 2021. The scope and function of the Corporate Social Responsibility Committee is in accordance with Section 135 of the Companies Act, 2013, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The terms of reference of the Corporate Social Responsibility Committee include the following:

1. Formulation of a corporate social responsibility policy to the Board, indicating the activities to be undertaken by the Company in areas or subjects specified in the Companies Act, 2013. The activities should be within the list of permitted activities specified in the Companies Act, 2013 and the rules thereunder;
2. Recommending the amount of expenditure to be incurred, amount to be at least 2% of the average net profit of the Company in the three immediately preceding financial years or where the Company has not completed the period of three financial years since its incorporation, during such immediately preceding financial years;
3. Instituting a transparent monitoring mechanism for implementation of the corporate social responsibility projects or programs or activities undertaken by the Company;
4. Monitoring the corporate social responsibility policy from time to time and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes;
5. Identifying corporate social responsibility policy partners and corporate social responsibility policy programmes;
6. Identifying and appointing the corporate social responsibility team of the Company including corporate social responsibility manager, wherever required;
7. Transferring the unspent CSR amount to a Fund specified in the Schedule VII, within a period of six months of the expiry of the financial year and setting-off the amount spent in excess of the requirements for such number of succeeding financial years and in such manner as specified in the Companies Act, 2013; and
8. Performing such other duties and functions as the Board may require the corporate social responsibility committee to undertake to promote the corporate social responsibility activities of the Company or as may be required under applicable laws.

Risk Management Committee

The members of the Risk Management Committee are:

1. Alukkas Varghese Joy, *Chairman*;
2. John Paul Joy Alukkas;
3. Alex Kalluvila Babu; and
4. Thomas Scaria Kalappurackal

The Risk Management Committee was last reconstituted by the meeting of the Board held on August 2, 2021. The scope and function of the Risk Management Committee is in accordance with the SEBI Listing Regulations.

The terms of reference of the Risk Management Committee include the following:

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 Risk Management 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 monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

5. To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken; and
6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

IPO Committee

The members of the IPO Committee are:

1. Alukkas Varghese Joy, *Chairperson*;
2. John Paul Joy Alukkas; and
3. Thomas Scaria Kalappurackal

The IPO Committee was constituted by meeting of the Board pursuant to a resolution dated October 18, 2021. The terms of reference of the IPO Committee authorise it, *inter alia*,

1. To make applications, seek clarifications, obtain approvals and seek exemptions from, where necessary, the SEBI, the RoC, the RBI and any other governmental or statutory authorities as may be required in connection with the Issue and accept on behalf of the Board such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions as may be required and wherever necessary, incorporate such modifications / amendments as may be required in the Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus, as applicable;
2. To finalize, settle, approve, adopt and file in consultation with the BRLMs, where applicable, the Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus, the preliminary and final international wrap and any amendments, supplements, notices, addenda or corrigenda thereto, the bid cum application forms, abridged prospectus, confirmation of allocation notes and any other document in relation to the Issue, and take all such actions as may be necessary for the submission and filing of these documents including incorporating such alterations/corrections/modifications as may be required by the SEBI, the RoC or any other relevant governmental and statutory authorities or in accordance with the applicable laws;
3. To decide in consultation with the BRLMs on the actual Issue size, timing, pricing, discount, reservation and all the terms and conditions of the Issue, including the price band (including the offer price for anchor investors), bid period, Issue price, and to do all such acts and things as may be necessary and expedient for, and incidental and ancillary to the Issue including to make any amendments, modifications, variations or alterations in relation to the Issue;
4. To appoint and enter into and terminate arrangements with the BRLMs, Underwriters, Syndicate Members, brokers to the Issue, escrow collection bankers to the Issue, refund bankers to the Issue, Registrar, legal advisors, Auditors, advertising agency, Monitoring Agency and any other agencies or persons or intermediaries in relation to the Issue, to negotiate, finalise and amend the terms of their appointment, including but not limited to the execution of the mandate letter with the BRLMs and negotiation, finalization, execution and, if required, amendment of the offer agreement with the BRLMs, and to remunerate all such intermediaries/ agencies including the payments of commissions, brokerages, etc.;
5. To negotiate, finalise and settle and to execute and deliver or arrange the delivery of the Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus, the preliminary and final international wrap, offer agreement, Syndicate Agreement, Underwriting Agreement, share escrow agreement, Cash Escrow and Sponsor Bank Agreement, Registrar Agreement and all other documents, deeds, agreements and instruments whatsoever with the Registrar, legal advisors, Auditors, advertising agency, Monitoring Agency, stock exchange(s), BRLMs and any other agencies/intermediaries in connection with the Issue with the power to authorise one or more officers of the Company to execute all or any of the aforesaid documents or any amendments thereto as may be required or desirable in relation to the Issue;
6. To seek, if required, the consent and/or waiver of the lenders of the Company, customers, parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consents and/or waivers that may be required in relation to the Issue or any actions connected therewith;
7. To open and operate bank accounts in terms of the escrow agreement and to authorize one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;
8. To open and operate bank accounts of the Company 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;

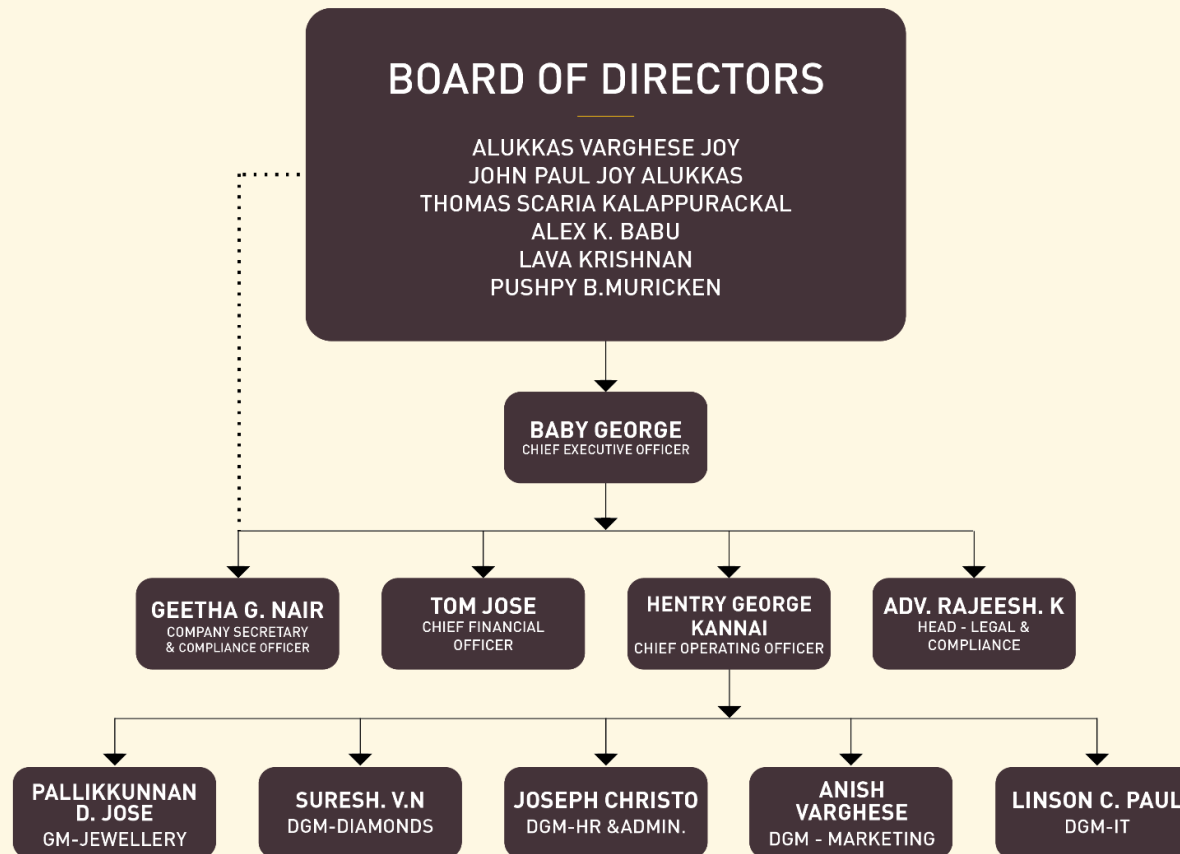
9. To authorize and approve incurring of expenditure and payment of fees, commissions, brokerage, remuneration and reimbursement of expenses in connection with the Issue;
10. To accept and appropriate the proceeds of the Issue in accordance with the applicable laws;
11. To approve code of conduct as may be considered necessary by the IPO Committee or as required under the applicable laws, regulations or guidelines for the Board, officers of the Company and other employees of the Company;
12. To approve the implementation of any corporate governance requirements that may be considered necessary by the Board or the IPO Committee or as may be required under the applicable laws or the SEBI Listing Regulations, as amended and listing agreements to be entered into by the Company with the relevant stock exchanges, to the extent allowed under law;
13. To issue receipts/allotment letters/confirmation of allotment 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 authorize one or more officers of the Company to sign all or any of the aforesaid documents;
14. To authorize and approve notices, advertisements in relation to the Issue in consultation with the relevant intermediaries appointed for the Issue;
15. To do all such acts, deeds, matters and things and execute all such other documents, etc., as may be deemed necessary or desirable for such purpose, including without limitation, to finalise the basis of allocation and to allot the shares to the successful allottees as permissible in law, issue of allotment letters/confirmation of allotment notes, share certificates in accordance with the relevant rules, in consultation with the BRLMs;
16. To do all such acts, deeds and things as may be required to dematerialize the Equity Shares and to sign and/ or modify, as the case may be, agreements and/or such other documents as may be required with the NSDL and CDSL, RTA 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 aforesaid documents;
17. To make applications for listing of the Equity Shares in one or more stock exchange(s) for listing of the Equity Shares and to execute and to deliver or arrange the delivery of necessary documentation to the concerned stock exchange(s) in connection with obtaining such listing including without limitation, entering into listing agreements and affixing the common seal of the Company where necessary;
18. To settle all questions, difficulties or doubts that may arise in regard to the Issue, including issues or allotment, terms of the Issue, utilisation of the Issue proceeds and matters incidental thereto as it may deem fit;
19. To submit undertaking/certificates or provide clarifications to the SEBI, the RoC and the relevant stock exchange(s) where the Equity Shares are to be listed;
20. To negotiate, finalize, settle, execute and deliver any and all other documents or instruments and to do or cause to be done any and all acts or things as the IPO Committee may deem necessary, appropriate or advisable in order to carry out the purposes and intent of this resolution or in connection with the Issue and any documents or instruments so executed and delivered or acts and things done or caused to be done by the IPO Committee shall be conclusive evidence of the authority of the IPO Committee in so doing;
21. To approve suitable policies on insider trading, whistle-blowing, risk management, and any other policies as may be required under the SEBI Listing Regulations, or any other applicable laws;
22. To approve the list of 'group companies' of the Company, identified pursuant to the materiality policy adopted by the Board, for the purposes of disclosure in the Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus;
23. Deciding, negotiating and finalising the pricing and all other related matters regarding the execution of the relevant documents with the investors in consultation with the BRLMs and in accordance with applicable laws;
24. To withdraw the Draft Red Herring Prospectus or Red Herring Prospectus or to decide to not proceed with the Issue at any stage in accordance with applicable laws and in consultation with the BRLMs; and
25. To delegate any of its powers set out hereinabove, as may be deemed necessary and permissible under applicable laws to the officials of the Company.

Management Organisation Chart



JOYALUKKAS INDIA LIMITED

ORGANISATION STRUCTURE



Key Managerial Personnel

The details of the Key Managerial Personnel of our Company in terms of the SEBI ICDR Regulations are as follows:

Alukkas Varghese Joy is the Managing Director of our Company. For further details see “*-Brief Biographies of Directors*” and “*-Remuneration to Executive Director*” each on pages 159 and 160.

Baby George is the Chief Executive Officer of our Company. He holds a bachelor’s degree in commerce from the University of Kerala. Prior to joining our Company, he was associated with Jain Securities International Limited as its vice president and IDBI Bank as its general manager. He has experience in banking and financial services and general administration. He joined our Company on November 1, 2014 as the chief operating officer and was appointed to the position of Chief Executive Officer of our Company on February 4, 2015. He received a total remuneration of ₹2.34 million in Fiscal 2021 from our Company.

Tom Jose is the Chief Financial Officer of our Company. He holds a bachelor’s degree in science from the Faculty of Science, Mahatma Gandhi University, Kottayam. He is a fellow member of the ICAI. Prior to joining our Company, he was associated with Caravel Logistics Private Limited as chief financial officer and Choice Trading Corporation Private Limited as vice president, finance and accounts. He has experience in finance and administration. He joined our Company on June 20, 2017 as the deputy general manager, finance and taxation and was appointed to the position of Chief Financial Officer of our Company on April 1, 2021. He received a total remuneration of ₹3.90 million in Fiscal 2021 from our Company.

Hentry George Kannai is the Chief Operating Officer of our Company. He holds a bachelors’ degree in arts from the University of Calicut and master’s degree in business administration from the Bangalore University. Prior to joining our Company, he was associated with Joyalukkas Lifestyle Developers Private Limited as head of India and international operations and Joyalukkas Jewellery LLC, Dubai as its retail manager. He has experience in the general administration, retail and project industry. He joined our Company on January 5, 2016 as the head of projects and was appointed to the position of Chief Operating Officer of our Company on August 2, 2021. He received a total remuneration of ₹2.54 million in Fiscal 2021 from our Company.

Pallikkunnan D. Jose is the General Manager, Jewellery Division of our Company. He has completed ninth grade from KNMVHSS, Vatanappally, Kerala. Prior to joining our Company, he was associated with Joyalukkas Jewellery LLC, Dubai as its purchase manager. He has over 18 years of experience in the gem and jewellery industry. He joined our Company on October 1, 2003 as the senior manager, gold division and was appointed to the position of General Manager, Jewellery Division of our Company on August 1, 2021. He received a total remuneration of ₹3.10 million in Fiscal 2021 from our Company.

Suresh V. N is the Deputy General Manager in Diamonds Division of our Company. He has completed pre-degree examination from the University of Calicut. He joined our Company on August 1, 2002 as the manager in diamonds division and has been associated with our Company since 2002. He has over 19 years of experience in the jewellery industry. He was appointed to the position of Deputy General Manager, Diamonds Division of our Company on August 1, 2021. He received a total remuneration of ₹1.92 million in Fiscal 2021 from our Company.

Rajeesh K is the Head, Legal and Compliance of our Company. He holds a bachelors’ degree in law from the University of Mysore and a bachelors’ degree in science from the Faculty of Science, Kannur University. Prior to joining our Company, he was associated with Malabar Group of Companies as its assistant manager, legal. He was practising as an advocate at Mananthavady and Calicut from 2007 and 2009 onwards respectively. He has over 14 years of experience in legal and compliance. He joined our Company on March 20, 2017 as the legal in-charge and was appointed to the position of Head, Legal and Compliance of our Company on April 1, 2021. He received a total remuneration of ₹1.03 million in Fiscal 2021 from our Company.

Joseph Christo is the Deputy General Manager, Human Resource and Admin of our Company. He holds a bachelor’s degree in commerce from the Faculty of Commerce and Management Studies, University of Calicut and master’s degree of arts in sociology from the Pondicherry University. He also holds master’s degree in business administration from the National Institute of Business Management. He joined our Company on May 2, 2006 as a management trainee and has been associated with our Company since 2006. He has over 15 years of experience in human resource department. He was appointed to the position of Deputy General Manager, Human Resource and Admin of our Company with effect from October 1, 2013. He received a total remuneration of ₹2.03 million in Fiscal 2021 from our Company.

Linson C. Paul is the Deputy General Manager in IT Division of our Company. He holds a bachelor’s and master’s degree in commerce from the Faculty of Commerce, Mahatma Gandhi University, Kottayam. He also holds master’s degree in computer science from the Faculty of Engineering & Technology, Annamalai University. He also holds a post graduate diploma in computer applications from Institute of Human Resources Development, Thiruvananthapuram. Prior to joining our Company, he was associated with V-Guard Industries Limited and The Malayala Manorama Company Limited as their senior manager, systems. He has over 20 years of experience in the information technology industry. He joined our Company as the Deputy

General Manager, IT Division with effect from April 1, 2020. He received a total remuneration of ₹2.94 million in Fiscal 2021 from our Company.

Anish Varghese is the Deputy General Manager, Marketing of our Company. He holds a bachelor's degree in hotel management from the Faculty of Science, Vinayaka Missions University. He joined our Company on November 1, 2003 and has been associated with our Company since 2003. He has over four years of experience in sales and 14 years of experience in marketing. He was appointed to the position of Deputy General Manager, Marketing of our Company with effect from August 1, 2021. He received a total remuneration of ₹1.20 million in Fiscal 2021 from our Company.

Geetha G Nair is the Company Secretary and Compliance Officer of our Company. She holds a bachelor's degree in commerce from the University of Calicut. She is an associate member of the ICSI. Prior to joining our Company, she was associated with MM TV Limited as their company secretary and CMC Limited as RFO manager, MCA 21 Project. She has over 13 years of experience in secretarial compliance. She joined our Company on June 1, 2020 as the Company Secretary of our Company and was appointed as the Compliance Officer of our Company on October 18, 2021. She received a total remuneration of ₹0.98 million in Fiscal 2021 from our Company.

Relationship between our Key Managerial Personnel and Directors

Except Alukkas Varghese Joy, Managing Director being the father of John Paul Joy Alukkas, who is his son, none of the Key Managerial Personnel are either related to each other or to the Directors.

Shareholding of Key Managerial Personnel

None of our Key Managerial Personnel hold any employee stock options.

The table below sets forth the details of Equity Shares that are held by Key Managerial Personnel:

S. No.	Name	Number of Equity Shares	Pre-Issue Equity Share Capital (%)	Post-Issue Equity Share Capital (%)
1.	Alukkas Varghese Joy	770,256,300	99.98	[●]
2.	Pallikkunanan D. Jose	1,100	Negligible	[●]

Bonus or Profit Sharing Plans of the Key Managerial Personnel

None of our Key Managerial Personnel are party to any bonus or profit-sharing plan of our Company, other than the performance linked incentives given to Key Managerial Personnel.

Status of Key Managerial Personnel

Except for Baby George who has been appointed on a contractual basis for a period of two years extendable on mutually agreed terms, and Pallikkunanan D. Jose who has been appointed on a contractual basis for a period of two years, all our Key Managerial Personnel are permanent employees of our Company.

Interests of Key Managerial Personnel

Our Key Managerial Personnel do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business. The Key Managerial Personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of Equity Shares held in the Company, if any.

Alukkas Varghese Joy, Promoter and Managing Director of our Company, have interest in the promotion or formation of our Company. For details of interest of Alukkas Varghese Joy in our Company, see “-Interests of Directors” and “Our Promoter and Promoter Group” on pages 161 and 173, respectively.

Further, one of the relatives of Alukkas Varghese Joy currently holds and may in the future continue to hold employment in our Company, and in consideration for these services, they are paid remuneration in accordance with the provisions of applicable law. For further details see “-Appointment of relatives of our Directors to any office or place of profit” on page 161.

Except as disclosed in “Our Promoter and Promoter Group” on page 173 in relation to our Managing Director and Promoter, Alukkas Varghese Joy, none of the Key Managerial Personnel have been paid any consideration of any nature from our Company, other than their remuneration.

There is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any Key Managerial Personnel was selected as member of senior management.

Changes in the Key Managerial Personnel

Except as disclosed below, there have been no changes in the Key Managerial Personnel in the last three years.

Name	Date of change	Reason for change
Hentry George Kannai	August 2, 2021	Appointment as a Chief Operating Officer
Anish Varghese	August 1, 2021	Appointment as a Deputy General Manager, Marketing
Pallikkunnan D. Jose	August 1, 2021	Appointment as a General Manager, Jewellery Division
Suresh V. N	August 1, 2021	Appointment as a Deputy General Manager, Diamonds Division
Tom Jose	April 1, 2021	Appointment as a Chief Financial Officer
Rajeesh K	April 1, 2021	Appointment as a Head, Legal and Compliance
Geetha G Nair	June 1, 2020	Appointment as a Company Secretary
Achyutha Babu	April 30, 2020	Resignation as a Company Secretary
Linson C. Paul	April 1, 2020	Appointment as a Deputy General Manager, IT Division

Service Contracts with Directors and Key Managerial Personnel

Other than statutory benefits upon termination of their employment in our Company on retirement, no officer of our Company, including our Directors and the Key Managerial Personnel has entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment.

Other than the employment contract for appointment of Chief Operating Officer dated November 1, 2014, between our Company and Baby George and employment contract for appointment of General Manager, Jewellery dated August 1, 2021, between our Company and Pallikkunnan D. Jose, none of our Key Managerial Personnel have entered into a service contract with our Company pursuant to which their remuneration has been fixed.

Other than the agreement for appointment of Managing Director dated October 14, 2020, between our Company and Alukkas Varghese Joy, none of our Directors have entered into a service contract with our Company pursuant to which they have been appointed as a director of our Company or their remuneration has been fixed in the preceding two years. For further details see “–Remuneration to Executive Director” on page 160.

Contingent and deferred compensation payable to our Directors and Key Managerial Personnel

There is no contingent or deferred compensation payable to our Directors and Key Managerial Personnel, which does not form a part of their remuneration.

Payment or benefit to Key Managerial Personnel

Except as stated in this section, no non-salary amount or benefit has been paid or given to any of our Company’s officers including Key Managerial Personnel within the two preceding years or is intended to be paid or given.

Employees Stock Options

Our Company does not have an employee stock option scheme.

OUR PROMOTER AND PROMOTER GROUP

Our Promoter

Alukkas Varghese Joy is the Promoter of our Company. As on the date of this Draft Red Herring Prospectus, our Promoter holds 770,256,300 Equity Shares, aggregating to 99.98% of the pre-Issue, issued, subscribed and paid-up Equity Share capital of our Company. For details of the build-up of the Promoter's shareholding in our Company, see "*Capital Structure*" on page 67.

Details of our Promoter

Alukkas Varghese Joy



Alukkas Varghese Joy, aged 65 years (date of birth: September 4, 1956), is the Promoter and Managing Director of our Company. For further details in relation to experience in the business, directorships held, special achievements, see "*Our Management – Brief Biographies of Directors*" on page 159.

The permanent account number of our Promoter is ACNPJ7972K.

Our Company confirms that the PAN, bank account number(s), Aadhar card number, driving license number and passport number of our Promoter shall be submitted to the Stock Exchanges, at the time of filing this Draft Red Herring Prospectus with them.

Other than as disclosed in "*-Our Promoter Group*" and "*Our Management*" on pages 173 and 156, respectively, our Promoter is not involved in any other venture.

Change in the management and control of our Company

Our Promoter is the original promoter of our Company, and there has been no change in control of our Company in the five years preceding the date of this Draft Red Herring Prospectus. For details in relation to the shareholding of our Promoter and Promoter Group, and changes in the shareholding of our Promoter, including in the five years preceding the date of this Draft Red Herring Prospectus, see "*Capital Structure*" on page 67.

Interests of our Promoter

Our Promoter is interested in our Company to the extent that he is the promoter of our Company and to the extent of his shareholding in our Company and dividend payable, if any, and other distributions in respect of the Equity Shares held by our Promoter. Further, our Promoter, who is also the Managing Director of our Company, may be deemed to be interested to the extent of remuneration, commission, perquisites and compensation paid to him and fees, if any, payable to him for attending meetings of the Board or a committee thereof as well as to the extent of expenses payable to him. For details, see "*Capital Structure*" and "*Our Management*" on pages 67 and 156, respectively.

Our Promoter may be deemed to be interested in our Company to the extent of his shareholding in our Group Companies with which our Company transacts during the course of our operations. For details, see "*Our Group Companies*" on page 177.

Our Promoter has no interest in any property acquired in the three years preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

No sum has been paid or agreed to be paid to our Promoter or to the firms or companies in which our Promoter is interested as a member in cash or shares or otherwise by any person, either to induce our Promoter to become or to qualify our Promoter, as a director or otherwise for services rendered by our Promoter or by such firms or companies in connection with the promotion or formation of our Company.

Further, our Promoter is interested to the extent of personal guarantees provided by him, his wife, Jolly Joy and his daughter, Mary Jeny Joy, and the corporate guarantees provided by certain members of the Promoter Group for financing availed by our Company from some of our lenders. Our Promoter and certain members of the Promoter Group have also offered certain personal immovable properties as collateral security in relation to financing availed by our Company from some of our lenders. For further details please see, "*Financial Statements – Note 13 – Borrowings*" on page 213.

For details in relation to amount or benefit that has been paid or given within the two preceding years to our Promoter, see "*-Payment of benefits to our Promoter or our Promoter Group*" on page 175. For details regarding interest of our Promoter in our Company, see also "*Other Financial Information – Related Party Transactions*" on page 245.

Payment of benefits to our Promoter or our Promoter Group

Other than as disclosed below, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to our Promoter, except the normal remuneration and sitting fees for services rendered as Directors, as on the date of this Draft Red Herring Prospectus:

- Our Company has entered into a lease agreement dated April 1, 2004, (“**Lease Agreement I**”) with our Promoter, for a period of 25 years for the lease of 25.75 acres of land in Vadakkumbhagom Cheri, Kollam East Village, 680 005, Kerala (“**Property I**”), which is utilised as a showroom of our Company. Pursuant to the Lease Agreement I, our Company is required to provide to our Promoter lease rent of ₹10,000 per month.
- Our Company has entered into a lease deed cum build, use transfer agreement dated April 19, 2016 (“**Lease Agreement II**”) with our Promoter, for a period of nine years for the lease of land measuring 1,710 square yards in Begumpet Road, Punjagutta, Hyderabad 500 082, Telangana which is utilised as a showroom of our Company. Pursuant to the Lease Agreement II, our Company is required to pay a lease rent of ₹30,000 per month.
- Our Company has entered into a lease agreement dated July 1, 2020 (“**Lease Agreement III**”) with our Promoter, for a period of 12 years for the lease of the ground floor of the main building bearing Palakkad Municipal Door Nos. 2143, situated at Town Bus Stand Road, Palakkad, Kerala measuring 4,329 square feet which is utilised as a showroom of our Company. Pursuant to the Lease Agreement III, our Company is required to pay a lease rent of ₹50,000 per month.
- Our Company has entered into a lease agreement dated July 1, 2020 (“**Lease Agreement IV**”) with our Promoter, for a period of 12 years for the lease of the first floor of the main building bearing Palakkad Municipal Door Nos. 2143/1, situated at Town Bus Stand Road, Palakkad, Kerala, measuring 4,900 square feet of land which is utilised as a residence for the staff of our Company. Pursuant to the Lease Agreement IV, our Company is required to pay a lease rent of ₹25,000 per month.

Certain of the properties owned by our Promoter are under attachment by the Income Tax Department, including, Property I. For further details, please see, “*Risk Factors – Certain search and seizure operations were conducted by the Income Tax Department at the corporate office and showrooms of the Company, and residential premises of our Promoter and employees. We may be subject to adverse statutory and regulatory actions from the Income Tax Department or any other statutory or regulatory authority which may adversely impact our business, financial condition and reputation*” and “*Outstanding Litigation and Material Developments – Litigation involving our Company – Litigation against our Company – Description of certain tax matters involving our Company, above the materiality threshold adopted by the Board – Direct tax matters*” on page 24 and [●], respectively.

Material guarantees given by our Promoter to third parties with respect to specified securities of our Company

Our Promoter has not provided any material guarantees to third parties with respect to the specified securities of our Company.

Companies or firms with which our Promoter has disassociated in the last three years

Our Promoter has not disassociated himself from any company or firm in the three years immediately preceding the date of this Draft Red Herring Prospectus.

Our Promoter Group

The following individuals and entities constitute our Promoter Group in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations:

(a) Natural persons who are part of our Promoter Group

The following table sets forth details of the persons who form part of our Promoter Group (due to their relationship with our Promoter):

Name of our Promoter	Name of the Relative	Relationship with our Promoter
Alukkas Varghese Joy	Jolly Joy	Wife
	Mary Jacob	Sister
	Kochuthresya Mathew	Sister
	Rosily Joseph	Sister
	Jacintha Johnson	Sister
	Lucy Tomy	Sister
	Philomina Davis	Sister
Clara Johnson	Sister	

Name of our Promoter	Name of the Relative	Relationship with our Promoter
	Reena Joby	Sister
	Pauly Antony	Sister
	John Paul Joy Alukkas	Son
	Mary Jeny Joy	Daughter
	Elsa Joy Alukkas	Daughter
	P.R. George	Wife's brother
	P.R. Pauly	Wife's brother
	P.R. Babu	Wife's brother
	P.R. Baby	Wife's brother
	P.R. David	Wife's brother
	Pauly Jose	Wife's sister
	Agnes Mathew	Wife's sister
	Sheela George	Wife's sister

(b) Entities forming part of our Promoter Group:

1. AVJ Properties Private Limited;
2. Cochin Smart City Properties Private Limited;
3. Dalia Hotels and Resorts Private Limited;
4. Fusion Technosoft Private Limited;
5. Joy Alukkas Holdings Inc., British Virgin Islands;
6. Joy Alukkas Jewellery Co WLL, Kingdom of Bahrain;
7. Joy Alukkas Jewellery Co WLL Kuwait;
8. Joy Alukkas Jewellery LLC, UAE;
9. Joy Alukkas Jewellery WLL Qatar;
10. Joy Jets Private Limited;
11. Joyalukkas Company Limited, Kingdom of Saudi Arabia;
12. Joyalukkas Exchange Dubai, UAE;
13. Joyalukkas Exchange LLC Oman;
14. Joyalukkas Exchange Co WLL Kuwait;
15. Joyalukkas Jewellery International PTE Limited Singapore;
16. Joyalukkas Jewellery LLC Oman;
17. Joyalukkas Jewellery SDN BHD Malaysia;
18. Joyalukkas Lifestyle Developers Private Limited;
19. Joyalukkas LTD United Kingdom;
20. Joyalukkas Money Exchange Private Limited;
21. Joyalukkas Retail Private Limited;
22. Joyalukkas US Holdings Inc., Texas, USA;
23. Lionel Jewellery Private Limited;
24. Mall of Joy Private Limited;
25. Masaaki Developers Private Limited;

26. Mudita Trades Private Limited;
27. Mythri Entertainers and Enterprises Private Limited;
28. Natura Lifestyle Private Limited;
29. Redrose Designer Wear Private Limited;
30. Sarayu Developers Private Limited;
31. Sveni Developers Private Limited;
32. Thea Lifestyle Private Limited; and
33. Vaiga Properties Private Limited.

An exemption application dated March 26, 2022 under Regulation 300(1)(c) of the SEBI ICDR Regulations has been submitted to SEBI seeking an exemption from identifying, (i) certain immediate relatives of our Promoter, Alukkas Varghese Joy; (ii) body corporates in which 20% or more of the equity share capital is held by such immediate relatives or any Hindu undivided families or firms of which such immediate relatives are members; (iii) body corporates in which the body corporates referred to in (ii) hold 20% or more of the equity share capital; and (iv) Hindu undivided families or firms in which the aggregate shareholding of such persons is equal to 20% or more of the total capital (collectively, “**Disassociated Group**”), as members of the promoter group in terms of Regulation 2(1)(pp)(ii) and (iv) of the SEBI ICDR Regulations in the Issue documents, and from including any confirmations or disclosures required from a member of the Disassociated Group in the Issue documents and in connection with the Issue.

OUR GROUP COMPANIES

In terms of the SEBI ICDR Regulations and pursuant to the resolution passed by our Board at its meeting held on December 8, 2021, group companies of our Company shall include:

- a. the companies with which there were related party transactions as per the Restated Financial Information during any of the last three financial years and stub period in respect of which the Restated Financial Information are included in the Draft Red Herring Prospectus;
- b. companies with which there were related party transactions for the period after the stub period in respect of which Restated Financial Information are included in the Draft Red Herring Prospectus until the date of filing of the Draft Red Herring Prospectus; and
- c. companies forming part of the Promoter Group with whom the Company has entered into related party transactions during the last completed financial year or cumulatively exceeds 10% of the total revenue of the Company for the financial year as per the Restated Financial Information.

Accordingly, in terms of the policy adopted by our Board for determining group companies, our Board has identified the following companies as Group Companies:

1. Cochin Smart City Properties Private Limited;
2. Dalia Hotels and Resorts Private Limited;
3. Fusion Technosoft Private Limited;
4. Joyalukkas Lifestyle Developers Private Limited;
5. Joyalukkas Money Exchange Private Limited;
6. Joyalukkas Retail Private Limited;
7. Lionel Jewellery Private Limited;
8. Mall of Joy Private Limited;
9. Masaaki Developers Private Limited;
10. Mudita Trades Private Limited;
11. Natura Lifestyle Private Limited;
12. Sarayu Developers Private Limited;
13. Thea Lifestyle Private Limited; and
14. Vaiga Properties Private Limited

Details of our Group Companies

Details of top five Group Companies of our Company based on turnover

1. Joyalukkas Retail Private Limited (“**Joyalukkas Retail**”)

Registered office

The registered office of Joyalukkas Retail is situated at Door No. 13/ 747, Convent Junction, Kollam 691 001, Kerala, India.

2. Joyalukkas Lifestyle Developers Private Limited (“**Joyalukkas Lifestyle**”)

Registered office

The registered office of Joyalukkas Lifestyle is situated at Door No.20/ 846, Gold Tower, Vazhakkala, Ernakulam 682 030, Kerala, India.

3. Mall of Joy Private Limited (“**Mall of Joy**”)

Registered office

The registered office of Mall of Joy is situated at Door No. 17/ 387, Mall of Joy, Baker Junction, Kottayam 686 001, Kerala, India

4. Masaaki Developers Private Limited (“**Masaaki**”)

Registered office

The registered office of Masaaki is situated at Door No 12/ 3035, Kollannur Devassy Smarak Building, Round East, Thrissur - 680 001, Kerala, India.

5. Cochin Smart City Properties Private Limited (“**Cochin Smart City**”)

Registered office

The registered office of Cochin Smart City is situated at Door No.12/ 3035, Kollannur Devassy Smarak Building, Round East, Thrissur - 680 001, Kerala, India.

In accordance with the SEBI ICDR Regulations, certain financial information in relation to our top five Group Companies (based on turnover), namely, Joyalukkas Retail, Joyalukkas Lifestyle, Mall of Joy, Masaaki and Cochin Smart City, for the previous three financial years, extracted from their respective audited financial statements (as applicable) are available at the following websites of the respective Group Companies:

Sl. No.	Name of the Group Company	Website
1.	Joyalukkas Retail	www.jollysilks.com/investor-relations
2.	Joyalukkas Lifestyle	www.joyalukkasdevelopers.com/investor-relations/2020-21.html
3.	Mall of Joy	www.mallofjoy.com/investor-relations/2020-21.html
4.	Masaaki	www.masaakidevelopers.com/pages/investor-relations/2020-21.html
5.	Cochin Smart City	www.cochinsmartcityproperties.com/pages/investor-relations/2020-21.html

Our Company is providing a link to such websites solely to comply with the requirements specified under the SEBI ICDR Regulations.

Details of other Group Companies

1. Dalia Hotels and Resorts Private Limited (“**Dalia**”)

Registered office

The registered office of Dalia is situated at Door No.12/ 3035, Kollannur Devassy Smarak Building, Round East, Thrissur 680 001, Kerala, India.

2. Fusion Technosoft Private Limited (“**Fusion**”)

Registered office

The registered office of Fusion is situated at Door No. 26/598 (New 12/ 3035), Kollannur Devassy Smarak Building, Round East, Thrissur 680 001, Kerala, India.

3. Joyalukkas Money Exchange Private Limited (“**Joyalukkas Money Exchange**”)

Registered office

The registered office of Joyalukkas Money Exchange is situated at Door No 12/ 3035, Kollannur Devassy Smarak Building, Round East, Thrissur 680 001, Kerala, India.

4. Lionel Jewellery Private Limited (“**Lionel Jewellery**”) (*formerly known as Joyalukkas Jewellery Private Limited*)

Registered office

The registered office of Lionel Jewellery is situated at Door No.12/ 3035, Kollannur Devassy Smarak Building, Round East, Thrissur 680 001, Kerala, India.

5. Mudita Trades Private Limited (“**Mudita**”)

Registered office

The registered office of Mudita is situated at Door No. 12/3035, Kollannur Devassy Smarak Building Round East, Thrissur 680 001, Kerala, India.

6. Natura Lifestyle Private Limited (“**Natura**”)

Registered office

The registered office of Natura is situated at Door No. 12/ 3035, Kollannur Devassy Smarak Building, Round east Thrissur 680 001, Kerala, India.

7. Sarayu Developers Private Limited (“**Sarayu**”)

Registered office

The registered office of Sarayu is situated at Door No. 12/ 3035, Kollannur Devassy Smarak Building, Round East, Thrissur – 680 001, Kerala, India.

8. Thea Lifestyle Private Limited (“**Thea Lifestyle**”)

Registered office

The registered office of Thea Lifestyle is situated at Door No. 12/ 3035, Kollannur, Devassy Smarak Building, Round East, Thrissur 680 001, Kerala, India.

9. Vaiga Properties Private Limited (“**Vaiga**”)

Registered office

The registered office of Vaiga is situated at Door No. 12/ 3035, Kollannur, Devassy Smarak Building, Round east, Thrissur 680 001, Kerala, India.

Nature and extent of interest of our Group Companies

a. *In the promotion of our Company*

Our Group Companies do not have any interest in the promotion of our Company.

b. *In the properties acquired by us in the preceding three years before filing this Draft Red Herring Prospectus or proposed to be acquired by our Company*

Our Group Companies are not interested in the properties acquired by us in the three years preceding the filing of this Draft Red Herring Prospectus or proposed to be acquired by us as on the date of this Draft Red Herring Prospectus.

c. *In transactions for acquisition of land, construction of building and supply of machinery*

Our Group Companies are not interested in any transactions for the acquisition of land, construction of building or supply of machinery.

Common Pursuits between our Group Companies and our Company

There are no common pursuits between our Group Companies and our Company.

Related Business Transactions with the Group Company and significance on the financial performance of our Company

Other than the transactions disclosed in the section “*Other Financial Information – Related Party Transactions*” on page 245, there are no other related business transactions, existing or contemplated, between our Company and our Group Companies.

Business interest of our Group Companies in our Company

Other than the transactions disclosure in the section “*Other Financial Information – Related Party Transactions*” on page 245, our Group Companies have no business interests in our Company.

Litigation

Except as disclosed in “*Outstanding Litigation and Material Developments*” on page 284, our Group Companies are not a party to any pending litigations which will have a material impact on our Company.

Listed Group Companies

None of our Group Companies is listed on any stock exchange in India or abroad. None of our Group Companies has debt securities which are listed on any stock exchange in India or abroad.

DIVIDEND POLICY

The declaration and payment of dividends is recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and the applicable law, including the Companies Act.

The dividend distribution policy of our Company was adopted and approved by our Board in their meeting held on October 18, 2021 (“**Dividend Distribution Policy**”). In terms of the Dividend Distribution Policy, the declaration and payment of dividend, if any, will depend on a number of internal and external factors, which, *inter alia*, include (i) profits earned by our Company, (ii) present and future capital requirements, (iii) overall financial position of our Company and (iv) uncertainty in economic conditions. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities. For further details, see “*Risk Factors – Our Company may not be able to pay dividends in the future. Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements and capital expenditures and the terms of our financing arrangements*” on page 43 and “*Financial Indebtedness*” on page 282.

As per the Dividend Distribution Policy, our Board may *inter alia* declare interim dividends during a financial year in compliance with applicable law.

We have not declared any dividends on the Equity Shares in the three Fiscals immediately preceding the filing of this Draft Red Herring Prospectus and until the date of the filing of this Draft Red Herring Prospectus.

SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

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INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED FINANCIAL INFORMATION

The Board of Directors,
Joyalukkas India Limited
Door No. 5/309-3, Bishop Alapatt Road,
Fathima Nagar, Mission Quarters,
Thrissur, Kerala,
India - 680005

Dear Sirs / Madam,

1. We have examined the attached Restated Financial Information of Joyalukkas India Limited ('the Company') comprising the Restated Balance Sheet as at September 30, 2021, September 30, 2020, 31 March 2021, 31 March 2020 and 31 March 2019, the Restated Statement of Profit and Loss, the Restated Statement of Changes in Equity, the Restated Statement of Cash Flows for the half years ended September 30, 2021 and September 30, 2020, and for the years ended 31 March 2021, 31 March 2020, 31 March 2019, and the summary statement of significant accounting policies, and other explanatory information (collectively, the "Restated Financial Information"), , for the purpose of inclusion in the Draft Red Herring Prospectus ('the DRHP'), prepared by the Company in connection with its proposed Initial Public Offer of equity shares (the 'Offer'). The Restated Financial Information, which has been approved by the Board of Directors of the Company at their meeting held on December 8, 2021, has been prepared by the Company in accordance with the requirements of:

- a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the 'Act');
- b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the 'SEBI ICDR Regulations'); and
- c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (the 'ICAI'), as amended from time to time (the 'Guidance Note').

Board of Directors Responsibility for the Restated Financial Information

2. The Company's Board of Directors is 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 (the 'SEBI') and BSE Limited and National Stock Exchange of India Limited (the 'Stock Exchanges'), in connection with the Offer. The Restated Financial Information have been prepared by the management of the Company in accordance with the basis of preparation stated in Note 2(i) to the Restated Financial Information.

The Board of Directors of the Company are responsible for 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, the SEBI ICDR Regulations and the Guidance Note.

Auditors Responsibility

3. We have examined the Restated Financial Information taking into consideration:
 - a) The terms of reference and our engagement agreed with you in accordance with our engagement letter dated October 04, 2021, in connection with the Offer;
 - b) The Guidance note that requires us to comply with the ethical requirements as stated in the Code of Ethics issued by the ICAI;
 - c) Concepts of test check and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and

- d) The requirements of Section 26 of the Act and the SEBI ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to compliance with the Act, the SEBI ICDR Regulations and the Guidance Note in connection with the Offer.

- 4. The Restated Financial Information have been compiled by the management from
 - a. the Audited Special Purpose Interim Financial Statements of the Company as at and for the half year ended September 30, 2021 and September 30, 2020, prepared in accordance with the recognition and measurement principles of Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting" specified under section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India,(the "Special Purpose Interim Financial Statements") which have been approved by the Board of Directors at their meeting held on November 11, 2021.
 - b. the Audited Financial Statements of the Company as at and for each of the years ended March 31, 2021, March 31, 2020 and March 31 2019, which were prepared in accordance with the Indian Accounting Standards as prescribed under Section133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India (referred to as "Ind AS"), which have been approved by the Board of Directors at their meetings held on July 2, 2021, October 14, 2020 and May 27, 2019 respectively.
- 5. For the purpose of our examination, we have relied on:
 - a. Auditors' report issued by us dated November 11, 2021, on the Special Purpose Interim Financial Statements as at and for the half year ended September 30, 2021 and September 30, 2020 as referred to in paragraph 4(a) above,
 - b. Auditors' report issued by us dated July 2, 2021, October 14, 2020 and May 27, 2019 on the Financial Statements as at and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019 respectively as referred to in paragraph 4(b) above,

The auditors' report on the Special Purpose Interim Financial Statements of the Company as at and for the half year ended September 30, 2021 include the following Emphasis of Matter paragraph

We draw attention to the following matter in the Notes to the Special Purpose Interim Financial Statements

Note 29(ii) to the Special Purpose Interim financial statements which states that income voluntarily offered for the assessment years from 2009-2010 to 2018-2019 consequent to search proceedings under section 132 of the Income Tax Act 1961. The company has made provision for taxation including interest in above respect in the earlier years. As stated, in the note any additional income tax, interest liability and other charges cannot be determined until the proceedings are complete.

Our report is not modified in respect of this matter.

The auditors' report on the Special Purpose Interim Financial Statements of the Company as at and for the half year ended September 30, 2020 includes the following Emphasis of Matter paragraph

We draw attention to the following matter in the Notes to the Special Purpose Interim Financial Statements

Note 29(ii) to the Special Purpose Interim financial statements which states that income voluntarily offered for the assessment years from 2009-2010 to 2018-2019 consequent to search proceedings under section 132 of the Income Tax Act 1961. The company has made provision for taxation including interest in above respect in the earlier years. As stated, in the note any additional income tax, interest liability and other charges cannot be determined until the proceedings are complete.

Our report is not modified in respect of this matter.

The auditors' report on the Financial Statements of the Company as at and for the year ended March 31, 2021 includes the following Emphasis of Matter paragraph

We draw attention to the following notes to the financial statements:

- (i) Note 30(ii) to the financial statements which states that income voluntarily offered for the assessment years from 2009-2010 to 2018-2019 consequent to search proceedings under section 132 of the Income Tax Act 1961. The company has made provision for taxation including interest in above respect in the earlier years. As stated, in the note any additional income tax, interest liability and other charges cannot be determined until the proceedings are complete.
- (ii) Note 39 to the financial statements which states that the management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the year ended March 31, 2021 and has concluded that there is no impact which is required to be recognized in the financial statements. Accordingly, no adjustments have been made to the financial statements.

Our opinion is not modified in respect of these matters.

The auditors' report on the Financial Statements of the Company as at and for the year ended March 31, 2020 includes the following Emphasis of Matter paragraph

We draw attention to the following notes to the financial statements:

- (i) Note 30(ii) to the financial statements which states that income voluntarily offered for the assessment years from 2009-2010 to 2018-2019 consequent to search proceedings under section 132 of the Income Tax Act 1961. The company has made provision for taxation including interest in above respect. As stated therein in the note the Company's Settlement Petition has been admitted by the Income tax Settlement Commission by their order dated January 13, 2020 and further proceedings for final determination of the tax liability for the above years is pending.
- (ii) Note 38 to the financial statements which states that the management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the year ended March 31, 2020 and has concluded that there is no impact which is required to be recognized in the financial statements. Accordingly, no adjustments have been made to the financial statements.

Our opinion is not modified in respect of these matters.

6. Based on our examination and according to the information and explanations given to us, we report that the Restated Financial Information:
 - (i) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the half year ended September 30, 2020 and financial years as at and for the year ended March 31, 2021, March 31, 2020 and March 31, 2019 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the half year ended September 30, 2021;
 - (ii) does not contain any qualifications requiring adjustments as there is no qualification in the underlying audit reports. However, those qualifications in the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, which do not require any corrective adjustments in the Restated Financial Information have been disclosed in Note 37 (ii) (2) to the Restated Financial Information; . There are items relating to emphasis of matter (refer paragraph 5 above), which do not require any adjustment to the Restated Financial Information; and
 - (iii) have been prepared in accordance with the Act, the SEBI ICDR Regulations and the Guidance Note.
7. The Restated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited financial statements mentioned in paragraph 4 above.
8. This report should not in any way be construed as a reissuance or re-dating of any of the reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
9. We have no responsibility to update our report for events and circumstances occurring after the date of this report.
10. Our report is intended solely for use of the Board of Directors and for inclusion in the DRHP to be filed with Securities and Exchange Board of India, National Stock Exchange of India Limited and BSE Limited in connection with the Offer of the Company. Our report should not be used, referred to or distributed for any other purpose without prior consent in writing. Accordingly, we do not accept 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 it may come without our prior consent in writing.

For MSKA & Associates
Chartered Accountants
Firm Registration No. 105047W

Geetha Jeyakumar
Partner
Membership No. 029409
UDIN: 21029409AAAALJ4312

Place: Chennai
Date: December 08, 2021

Restated Statement of Assets and Liabilities

(All amounts in Indian rupees millions, except where otherwise stated)

Particulars	Note	As at 30 September 2021	As at 30 September 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
ASSETS						
Non-current assets						
(a) Property, plant and equipment	4 A	1,469.82	1,566.00	1,444.08	1,825.52	1,549.98
(b) Capital work-in-progress	4 B	-	118.18	99.40	116.22	282.30
(c) Right of use assets	4 C	5,156.96	5,626.40	5,384.62	5,927.36	5,290.96
(d) Financial assets						
(i) Other financial assets	5	461.30	453.30	338.25	364.05	371.06
(e) Other non-current assets	6	151.14	41.38	65.64	48.74	163.90
(f) Deferred tax assets (net)	29	491.17	355.74	410.21	352.81	140.09
Total non-current assets		7,730.39	8,161.00	7,742.20	8,634.70	7,798.29
Current assets						
(a) Inventories	7	43,967.71	33,113.17	38,852.10	34,422.89	29,048.73
(b) Financial assets						
(i) Trade receivables	8	174.61	8.27	120.33	60.53	243.16
(ii) Cash and cash equivalents	9	690.99	888.24	757.88	412.05	554.84
(iii) Other bank balances	10	253.72	69.64	278.68	157.25	112.86
(iv) Other financial assets	5	57.50	53.11	59.61	7.14	44.15
(c) Other current assets	6	825.55	646.50	153.95	749.36	599.80
Total current assets		45,970.08	34,778.93	40,222.55	35,809.22	30,603.54
Total Assets		53,700.47	42,939.93	47,964.75	44,443.92	38,401.83
EQUITY AND LIABILITIES						
Equity						
(a) Equity share capital	11	700.34	700.34	700.34	700.34	700.34
(b) Other equity	12	19,167.01	14,269.03	16,507.16	11,778.18	11,175.39
Total equity		19,867.35	14,969.37	17,207.50	12,478.52	11,875.73
Liabilities						
Non-current liabilities						
(a) Financial liabilities						
(i) Borrowings	13	250.46	820.56	474.64	683.01	531.71
(ii) Lease liabilities	14	5,560.92	5,750.36	5,639.31	5,863.01	5,161.06
Total non-current liabilities		5,811.38	6,570.92	6,113.95	6,546.02	5,692.77
Current liabilities						
(a) Financial liabilities						
(i) Borrowings	13	15,034.72	14,448.23	14,032.89	14,540.19	11,835.70
(ii) Gold on loan	15	-	-	-	691.51	1,198.41
(iii) Lease liabilities	14	286.60	218.10	266.70	225.37	195.28
(iii) Trade payables	16	-	-	-	-	-
- total outstanding dues of micro enterprises and small enterprises		4,448.74	1,108.43	3,598.21	2,476.97	22.82
- total outstanding dues of creditors other than micro enterprises and small enterprises		2,259.02	1,444.62	3,086.02	2,878.45	3,164.98
(iv) Other financial liabilities	17	24.08	65.54	40.79	61.21	53.82
(b) Other current liabilities	18	5,381.44	2,915.38	2,810.75	3,991.50	3,933.42
(c) Provisions	19	200.74	200.74	200.74	-	-
(d) Current tax liabilities (net)	29	386.40	998.60	607.20	554.18	428.90
Total current liabilities		28,021.74	21,399.64	24,643.30	25,419.38	20,833.33
Total equity and liabilities		53,700.47	42,939.93	47,964.75	44,443.92	38,401.83
Significant accounting policies	3					

The accompanying notes are an integral part of these restated financial information

As per our report of even date attached

For MSKA & Associates

Chartered Accountants

Firm Registration No: 105047W

For and on behalf of the Board of Directors of

Joyalukkas India Limited

CIN: U51398KL2002PLC015372

Geetha Jeyakumar

Partner

Membership No: 029409

Alukkas Varghese Joy

Managing Director

DIN:00313967

John Paul Joy Alukkas

Director

DIN: 00314046

Geetha G Nair

Company Secretary

Membership No: A22202

Tom Jose

Chief Financial Officer

Baby George

Chief Executive Officer

Place: Chennai

Date: 08-12-2021

Place: Thrissur

Date: 08-12-2021

Joyalukkas India Limited (Formerly known as Joyalukkas India Private Limited)
Restated Statement of Profit and Loss
(All amounts in Indian rupees millions, except where otherwise stated)

Particulars	Note	For the half year ended 30 September 2021	For the half year ended 30 September 2020	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Income						
I Revenue from operations	20	40,122.61	20,887.73	80,662.93	80,237.88	80,918.42
II Other income	21	247.28	170.63	307.34	82.62	88.96
III Total Income [I + II]		40,369.89	21,058.36	80,970.27	80,320.50	81,007.38
Expenses						
IV Cost of materials consumed	22	14,976.91	9,189.09	32,015.83	33,771.17	35,049.38
Purchases of stock-in-trade	23	24,521.62	4,751.75	40,006.14	39,124.01	36,861.46
Change in inventory of finished goods and stock-in-trade	24	(5,821.96)	1,023.33	(3,805.65)	(4,853.43)	(1,639.19)
Employee benefits expense	25	1,002.37	583.58	1,611.70	2,136.14	2,043.47
Finance costs	26	847.03	970.01	1,898.58	3,399.40	2,065.93
Depreciation and amortisation expense	27	541.29	670.32	1,252.28	1,019.57	848.77
Other expenses	28	702.12	549.58	1,622.15	2,245.14	2,507.58
Total expenses		36,769.38	17,737.66	74,601.03	76,842.00	77,737.40
V Profit before tax [III - IV]		3,600.51	3,320.70	6,369.24	3,478.50	3,269.98
VI Tax expense:						
Current tax	29	982.08	839.11	1,709.10	1,469.86	1,385.00
Tax expense relating to prior half years' / years'	29	-	-	-	1,919.86	858.25
Deferred tax (benefit)/ charge	29	(71.02)	(4.52)	(57.40)	(318.27)	(134.65)
Total Tax Expense		911.06	834.59	1,651.70	3,071.45	2,108.60
VII Profit for the half year / year [V - VI]		2,689.45	2,486.11	4,717.54	407.05	1,161.38
VIII Other Comprehensive Income						
Items that will not be reclassified subsequently to profit or loss						
Remeasure gain / (loss) of defined benefit liability		(39.54)	6.33	15.29	(2.54)	(5.87)
Income tax related to items that will not be reclassified to profit or loss		9.94	(1.59)	(3.85)	0.64	2.05
Total other comprehensive income for the half year / year		(29.60)	4.74	11.44	(1.90)	(3.82)
IX Total comprehensive income for the half year / year		2,659.85	2,490.85	4,728.98	405.15	1,157.56
X Earnings per share - Basic and diluted (Face value of Rs.10 each) (EPS for the half year ended 30 September, 2021 and 30 September, 2020 are not annualised)	31	3.49	3.23	6.12	0.53	1.51
Significant accounting policies	3					

The accompanying notes are an integral part of these restated financial information
As per our report of even date attached

For MSKA & Associates
Chartered Accountants
Firm Registration No: 105047W

For and on behalf of the Board of Directors of
Joyalukkas India Limited
CIN: U51398KL2002PLC015372

Geetha Jeyakumar
Partner
Membership No: 029409

Alukkas Varghese Joy
Managing Director
DIN:00313967

John Paul Joy Alukkas
Director
DIN: 00314046

Geetha G Nair
Company Secretary
Membership No: A22202

Tom Jose
Chief Financial Officer

Baby George
Chief Executive Officer

Place: Chennai
Date: 08-12-2021

Place: Thrissur
Date: 08-12-2021

Joyalukkas India Limited (Formerly known as Joyalukkas India Private Limited)
Restated Statement of Cash Flows

(All amounts in Indian rupees millions, except where otherwise stated)

Particulars	For the half year ended 30 September 2021	For the half year ended 30 September 2020	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Cash flows from operating activities					
Profit before tax	3,600.51	3,320.70	6,369.24	3,478.50	3,269.98
<i>Adjustments for</i>					
Depreciation and amortisation expense	541.29	670.32	1,252.28	1,019.57	848.77
Finance costs	847.03	970.01	1,898.58	3,399.40	2,065.93
Interest income	(7.12)	(4.08)	(9.81)	(13.51)	(10.69)
(Write back) / Provision on slow moving inventory	87.37	641.35	656.54	502.38	-
Provisions no longer required written back	(102.91)	-	-	-	-
Provision on rates and taxes (Refer Note 30(iii))	-	200.74	200.74	-	-
(Profit) / Loss on sale of fixed assets	(1.89)	(0.70)	1.98	(3.82)	(2.37)
Unrealised foreign exchange gain	-	-	(2.35)	-	-
Gain on rent concession (Refer Note 21(i))	(111.22)	(154.10)	(245.12)	-	-
Net loss on pre-closure of lease contracts	-	7.55	7.93	-	22.34
Interest income under the effective interest method on lease deposits	(9.62)	(2.54)	(17.46)	(22.40)	(45.75)
Operating profit before working capital changes	4,843.44	5,649.25	10,112.55	8,360.12	6,148.21
(Increase)/Decrease in non-current assets	(2.19)	(3.01)	(6.18)	45.50	(135.95)
(Increase)/Decrease in trade receivables	(54.28)	52.26	(57.46)	182.63	(159.12)
(Increase)/Decrease in inventories	(5,202.98)	668.37	(5,085.75)	(5,876.54)	(721.13)
(Increase) /Decrease in loans and other financial assets and other assets	(784.24)	(29.04)	28.76	38.63	178.07
Decrease in gold on loan	-	(691.51)	(691.51)	(506.90)	(614.25)
Increase / (Decrease) in trade payables	23.53	(2,802.37)	1,328.81	2,167.62	(1,300.32)
Increase / (Decrease) in current liabilities	2,673.60	(1,076.12)	(618.13)	(74.31)	722.09
(Decrease) / Increase in financial liabilities and provisions	(39.54)	6.33	15.29	(2.54)	(5.87)
Cash generated from operations	1,457.34	1,774.16	5,026.38	4,334.21	4,111.73
Taxes paid	(1,207.27)	(400.79)	(1,717.52)	(4,673.35)	(1,723.01)
Net cash generated from / (used in) operating activities (A)	250.07	1,373.37	3,308.86	(339.14)	2,388.72
Cash flows from investing activities					
Interest received	8.44	3.29	4.64	24.13	3.10
Proceeds on maturity/ (Placement) of Fixed deposits	24.96	87.61	(121.43)	(44.39)	0.04
Purchase of property, plant and equipment	(260.28)	(82.27)	(272.68)	(476.84)	(526.19)
Proceeds from sale of property, plant and equipment	2.11	0.81	2.57	7.79	5.98
Net cash (used in) / generated from investing activities (B)	(224.77)	9.44	(386.90)	(489.31)	(517.07)
Cash flows from financing activities					
Finance cost paid	(570.58)	(712.59)	(1,318.91)	(1,412.45)	(1,293.59)
Proceeds from long term borrowings	-	600.00	530.00	567.00	453.00
Repayment of long term borrowings	(337.13)	(174.85)	(429.39)	(262.20)	(255.35)
(Repayment) / Proceeds from short term borrowings (Net)	1,114.78	(379.56)	(816.28)	2,550.99	(402.89)
Principal payment of lease liabilities	(22.88)	-	(13.87)	(194.49)	(152.22)
Interest payment of lease liabilities	(276.38)	(239.62)	(527.68)	(563.19)	(463.91)
Net cash (used in) / generated from financing activities (C)	(92.19)	(906.62)	(2,576.13)	685.66	(2,114.96)
Net (decrease)/ increase in cash and cash equivalents (A+B+C)	(66.89)	476.19	345.83	(142.79)	(243.31)
Cash and cash equivalents at the beginning of the half year / year	757.88	412.05	412.05	554.84	798.15
Cash and cash equivalents at the end of the half year / year *	690.99	888.24	757.88	412.05	554.84

Refer note 9 - Cash and cash equivalents

* Cash and cash equivalents includes bank overdrafts that are repayable on demand and form an integral part of the Company's cash management strategy.

Reconciliation of financial liabilities forming part of financing activities in accordance with Ind AS 7:

Particulars	For the half year ended 30 September 2021	For the half year ended 30 September 2020	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Opening Balance					
Non-current borrowings ***	(1,161.39)	(1,060.78)	(1,060.78)	(755.98)	(558.33)
Current borrowings	(13,346.14)	(14,162.42)	(14,162.42)	(11,611.43)	(12,014.32)
Lease liabilities	(5,906.01)	(6,088.38)	(6,088.38)	(5,356.34)	(4,858.70)
Interest accrued but not due on borrowings	(26.01)	(31.61)	(31.61)	(16.76)	(16.24)
Non-cash changes					
Change in lease liabilities (Refer Note 36(iii))	(240.77)	(119.70)	(359.18)	(1,489.72)	(1,113.77)
Interest expense (Refer Note 26)	(566.26)	(718.83)	(1,313.31)	(1,427.30)	(1,294.11)
Closing Balance					
Non-current borrowings ***	824.26	1,485.93	1,161.39	1,060.78	755.98
Current borrowings	14,460.92	13,782.86	13,346.14	14,162.42	11,611.43
Lease liabilities	5,847.52	5,968.46	5,906.01	6,088.38	5,356.34
Interest accrued but not due on borrowings	21.69	37.85	26.01	31.61	16.76
Net cash (used in) / generated from financing activities	(92.19)	(906.62)	(2,576.13)	685.66	(2,114.96)

*** includes current maturity of long-term borrowings

The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard 7 (IND AS-7), "Restated Statement of Cash Flows".

The notes referred to above form an integral part of these restated financial information

As per our report of even date attached

For MSKA & Associates

Chartered Accountants

Firm Registration No: 105047W

For and on behalf of the Board of Directors of

Joyalukkas India Limited

CIN: U51398KL2002PLC015372

Geetha Jeyakumar

Partner

Membership No: 029409

Alukkas Varghese Joy

Managing Director

DIN:00313967

John Paul Joy Alukkas

Director

DIN: 00314046

Geetha G Nair

Company Secretary

Membership No: A22202

Tom Jose

Chief Financial Officer

Baby George

Chief Executive Officer

Place: Chennai

Date: 08-12-2021

Place: Thrissur

Date: 08-12-2021

Joyalukkas India Limited (Formerly known as Joyalukkas India Private Limited)

Restated Statement of Changes in Equity

(All amounts in Indian rupees millions, except where otherwise stated)

A. Equity share capital	As at 30 September 21		As at 30 September 20		As at 31 March 21		As at 31 March 20		As at 31 March 19	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Equity shares of Rs. 10 each fully paid - up										
Outstanding at the Beginning of the half year / year	7,00,34,200	700.34	7,00,34,200	700.34	7,00,34,200	700.34	7,00,34,200	700.34	7,00,34,200	700.34
Outstanding at the end of the half year / year	7,00,34,200	700.34	7,00,34,200	700.34	7,00,34,200	700.34	7,00,34,200	700.34	7,00,34,200	700.34

B. Other equity

Particulars	Other equity				Total
	Reserves and surplus			Other comprehensive income	
	Retained earnings	Capital reserve	General reserve	Remeasurements of the net defined benefit liability	
Balance at 01 April 2018	9,844.69	1.37	169.21	2.56	10,017.83
Profit for the year (net of taxes)	1,161.38	-	-	-	1,161.38
Other comprehensive income for the year (net of tax)	-	-	-	(3.82)	(3.82)
Balance at 31 March 2019	11,006.07	1.37	169.21	(1.26)	11,175.39
IndAS transition adjustment	197.64	-	-	-	197.64
Profit for the year (net of taxes)	407.05	-	-	-	407.05
Other comprehensive income for the year (net of tax)	-	-	-	(1.90)	(1.90)
Balance at 31 March 2020	11,610.76	1.37	169.21	(3.16)	11,778.18
Profit for the year (net of taxes)	4,717.54	-	-	-	4,717.54
Other comprehensive income for the year (net of tax)	-	-	-	11.44	11.44
Balance at 31 March 2021	16,328.30	1.37	169.21	8.28	16,507.16
For the interim period reported					
Balance at 31 March 2020	11,610.76	1.37	169.21	(3.16)	11,778.18
Profit for the half year (net of taxes)	2,486.11	-	-	-	2,486.11
Other comprehensive income for the half year (net of tax)	-	-	-	4.74	4.74
Balance at 30 September 2020	14,096.87	1.37	169.21	1.58	14,269.03
Balance at 31 March 2021	16,328.30	1.37	169.21	8.28	16,507.16
Profit for the half year (net of taxes)	2,689.45	-	-	-	2,689.45
Other comprehensive income for the half year (net of tax)	-	-	-	(29.60)	(29.60)
Balance at 30 September 2021	19,017.75	1.37	169.21	(21.32)	19,167.01

Joyalukkas India Limited (Formerly known as Joyalukkas India Private Limited)
Restated Statement of Changes in Equity

(All amounts in Indian rupees millions, except where otherwise stated)

The accompanying notes are an integral part of these restated financial information

As per our report of even date attached

For MSKA & Associates

Chartered Accountants

Firm Registration No: 105047W

**For and on behalf of the Board of Directors of
Joyalukkas India Limited**

CIN: U51398KL2002PLC015372

Geetha Jeyakumar

Partner

Membership No: 029409

Alukkas Varghese Joy

Managing Director

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Director

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Membership No: A22202

Tom Jose

Chief Financial Officer

Baby George

Chief Executive Officer

Place: Chennai

Date: 08-12-2021

Place: Thrissur

Date: 08-12-2021

1. Corporate Information

Joyalukkas India Limited (Formerly known as Joyalukkas India Private Limited) ('the Company') was incorporated as Joy Alukkas Traders (India) Private Limited on 22 April 2002 as a private limited company. The name of the company was changed to Joyalukkas India Private Limited on 23 December 2009. The Company was converted into a public limited company and the name of the Company was changed to 'Joyalukkas India Limited' on December 9, 2010. The Company was then converted from a public limited company to a private limited company and the name of the Company was changed to 'Joyalukkas India Private Limited' on March 13, 2012, The Company was converted into a Public Limited Company under the Companies Act, 2013 on March 22, 2021 and consequently, the name was changed to "Joyalukkas India Limited"

The registered office of the Company is located at Door No.5/309-3, Bishop Alappat Road, Fathima Nagar, Mission Quarters Thrissur – 680 005, Kerala, India. The Company is a leading jewellery chain in India and its business includes sale of jewellery made of gold, studded and other jewellery products that include diamond, platinum, silver and other precious stones

2.

(i) Basis of Preparation of Restated Financial Information

The Restated Financial Information of the Company comprises of the Restated Statement of Assets and Liabilities as at September 30, 2021, September 30, 2020, March 31, 2021, March 31, 2020 and March 31, 2019, 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 half year ended September 30, 2021 and September 30, 2020 and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019 and the Summary Statement of Significant Accounting Policies, and other explanatory notes (collectively, the "Restated Financial Information"). These Restated Financial Information have been prepared by the management of the Company for the purpose of inclusion in the Draft red herring prospectus (the "Offer Document") in connection with its proposed Initial Public Offer ("IPO") in terms of the requirements of:

- (a) Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act");
- (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and
- (c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI), as amended (the "Guidance Note").

These Restated Financial Information have been compiled by the Management from:

- a) Audited special purpose interim financial statements of the Company as at and for the half year ended September 30, 2021 and September 30, 2020, prepared in accordance with the recognition and measurement principles of Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34") prescribed under Section 133 of the Companies Act, 2013 (the "Act"), read with relevant rules issued thereunder and other accounting principles generally accepted in India (together, the "Special Purpose interim Financial Statements"), which have been approved by the Board of directors of the Company at their meetings held on November 11, 2021; and
- b) Audited financial statements of the Company as at and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019 prepared in accordance with 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 of the Company at their meetings held on July 02, 2021, October 14, 2020 and May 27, 2019 respectively.

The Restated Financial Information have been prepared so as to contain information / disclosures and incorporating adjustments as per Note 38 to the information compiled by the management from audited Ind AS financial statements of the Company as at and for the years ended March 31, 2021, 2020 and 2019.

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 half year ended September 30, 2021. These Restated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of board meeting on the audited Special Purpose Interim Financial Statement / audited financial statements mentioned above.

The Restated Financial Information do not require any adjustment for modification as there is no modification in the underlying audit reports.

The Restated Financial Information are presented in Indian Rupees "INR" or "Rs." and all values are stated as INR Million, unless indicated otherwise

(ii) Statement of compliance

The Restated Financial Information of the Company has been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

(ii) Basis of Measurement

The Restated Financial Information have been prepared on the historical cost basis except for the following material items:

Items	Basis
Certain financial assets and liabilities (including derivative instruments)	Fair Value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of services and the time between the rendering of service and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and noncurrent classification of assets and liabilities.

(a) Functional and Presentation Currency

These Restated Financial Information have been prepared in Indian Rupee (INR) which is the functional currency of the company. All amounts have been rounded-off to the nearest millions, unless otherwise indicated.

(b) Statement of cash flows

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. Cash and cash equivalents for the purpose of the statement of cash flows comprise cash and cash on deposit with banks and financial institutions. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalent.

(c) Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values. Significant valuation issues are reported to the Company's board of directors.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair

value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following note:

Note 32: financial instruments

(d) **Use of estimates and Judgements**

The preparation of Restated Financial Information in conformity with Ind AS requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying Restated Financial Information are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the Restated Financial Information. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected. Refer below for detailed discussion on estimates and judgments.

Assumptions and estimation uncertainties:

(a) **Useful lives of property, plant and equipment**

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of company's assets are determined by management at the time the asset is acquired and reviewed periodically, including each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

(b) **Defined benefit plans (gratuity benefits)**

The cost of the defined benefit plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each year end.

The principal assumptions are the discount and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis. For details refer Note XX.

3. Significant Accounting Policies

i. Revenue Recognition

Revenue is recognized upon transfer of control of promised products to customers in an amount that reflects the consideration which the company expects to receive in exchange for those products.

Sale of goods: Revenue from the sale of products is recognised at the point in time when control is transferred to the customer.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and incentives, if any, as per the contract with the customer. Revenue also excludes taxes collected from customers, which are subsequently remitted to governmental authorities.

Customer loyalty program

Sale of goods that result in credits for customers, under the “Encircle” Scheme, which entitles customers to avail discounts on repeat purchases are accounted for as multiple element revenue transactions and the fair value of the consideration received or receivable is allocated between the goods supplied and the award credits granted. The consideration allocated to the award credits is measured by reference to their fair value and such consideration is not recognised as revenue at the time of the initial sale transaction but is deferred and recognised as revenue when the award credits are redeemed and the Company’s obligations have been fulfilled or when it is no longer probable that the award credits will be redeemed.

Recognition of 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.

The ‘effective interest rate’ is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

ii. Leases

From April 1, 2019, the Company has applied IND AS 116 “Leases” using the modified retrospective approach under which the Company recognised right-of-use assets equal to the lease liability and lease liability is measured at the present value of lease payments discounted at the incremental borrowing rate as on April 1, 2019.

For the purpose of preparing restated summary financial information IND AS 116 has been applied retrospectively from April 1, 2018

At the date of commencement of the lease, the Company recognizes a right-of-use asset (“ROU”) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows

Initial Measurement:

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs and any cost to be incurred for dismantling, removal and restoration of the underlying assets. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The lease liability is initially measured at amortized cost at the present value of the future lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The Company determines incremental borrowing rate by obtaining interest rates from various external financing sources that reflects the terms of the lease and the type of the asset leased.

Subsequent Measurement:

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Amendments to Ind AS 116: Covid-19-Related Rent Concessions

The amendment provide relief to lessees from applying Ind AS 116 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under Ind AS 116, if the change were not a lease modification. The amendments are applicable for annual reporting periods beginning on or after the 1 April 2020.

iii. Property, plant and equipment

a. Tangible Assets

➤ **Recognition and measurement**

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognised in the statement of profit and loss.

Capital work-in progress comprises of the cost of fixed assets that are not yet ready for their intended use as on the balance sheet date. Advance paid towards the acquisition of fixed assets, outstanding at each balance sheet date are shown under capital advances.

➤ **Subsequent expenditure**

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

➤ **Depreciation**

Depreciation is provided on the cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the Straight-Line Method ('SLM') and is generally recognized in the statement of profit and loss. Freehold land is not depreciated.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset	Useful lives
Buildings*	20
Plant and equipment*	7
Computers*	3
Aircraft*	15
Electrical fittings*	8
Office equipment*	7
Furniture and fixtures*	7
Vehicles*	5

* For the above-mentioned classes of assets, the company believes that the useful lives as given above best represent the useful lives of these assets based on internal assessment and technical advice, where necessary, which is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

Depreciation on additions/disposals during the year are provided on a pro rata basis i.e. from /upto the date on which asset is ready for use/disposed of.

b. Intangible Assets

➤ Computer software

Computer software are initially measured at cost. Such intangible assets are subsequently measured at cost less and accumulated amortisation any accumulated impairment losses.

➤ Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in the Statement of profit and loss as incurred.

➤ Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in the Statement of profit and loss. The Company amortises computer software over a period of 5 years.

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

iv. Financial instruments

a. Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

b. Classification and subsequent measurement

➤ Financial assets

On initial recognition, a financial asset is classified as measured at either at amortised cost, FVTPL or fair value in other comprehensive income (FVOCI). Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

• Financial assets: business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at investment level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for each of such investments and the operation of those policies in practice.
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company’s continuing recognition of the assets. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

• **Financial assets: assessment whether contractual cash flows are solely payments of principal and interest**

For the purposes of this assessment, ‘principal’ is defined as the fair value of the financial asset on initial recognition. ‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company’s claim to cash flows from specified assets (e.g. non-recourse features).

• **Financial assets: Subsequent measurement and gains and losses**

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

➤ **Financial liabilities: Classification, subsequent measurement and gains and losses**

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

➤ **Embedded derivatives**

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. An embedded derivative cause some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified variable. The Company enters into purchase gold contract, in which the amount payable is not fixed based on gold price on the date of purchase, but instead is affected by changes in gold prices in future. Such transactions are entered into to protect against the risk of gold price movement in the purchased gold. Accordingly, such unfixed payables are considered to have an embedded derivative.

At balance sheet date, the Company fair values the financial instrument based on the fair value of the gold and the change in value is passed through statement of profit and loss.

c. Derecognition

➤ **Financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

➤ **Financial liabilities**

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

d. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

e. Derivative financial instruments

The Company holds derivative financial instruments to hedge its foreign currency exposures. Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

v. Impairment

a. Impairment of financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to life time ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in the statement of profit and loss.

b. Impairment of non-financial 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 assets is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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 estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit and loss

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) 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 (or cash generating unit) in prior years. A reversal of impairment loss is recognised immediately in the statement of profit and loss

vi. Inventories

Inventories [other than quantities of gold for which the price is yet to be determined with the suppliers (Unfixed gold)] are stated at the lower of cost and net realizable value determined on an item-by-item basis. Cost is determined as follows:

Inventory	Valuation Method
Raw Materials	Weighted Average Method
Finished Goods	
- Gold and silver jewellery	Weighted Average Method/ Cost of purchases.
- Diamond, precious stone and platinum jewellery	Specific Identification Method

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Cost comprises all costs of purchase including duties and taxes (other than those subsequently recoverable by the Company), freight inwards and other expenditure directly attributable to acquisition. Finished goods include appropriate proportion of overheads and, where applicable, excise duty.

Traded goods are valued on a moving weighted average rate/ cost of purchases.

The comparison of cost and net realisable value is made on an item-by-item basis. Raw materials and packing materials held for use in production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost

vii. Provisions, contingent liabilities and contingent assets

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognises any impairment loss on the assets associated with that contract.

Contingent liabilities and contingent assets are not recognized in the Restated Financial Information. Contingent liabilities are disclosed in the Restated Financial Information unless the possibility of any outflow in settlement is remote. Contingent assets are disclosed in the Restated Financial Information where an inflow of economic benefits is probable.

viii. Employee benefits

a. Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

b. Compensated Absences

The employees of the Company are entitled to compensated absences. The employees cannot carry forward any portion of the unutilized accumulating compensated absences. Non-accumulating compensated absences are recognized in the period in which the absences occur.

c. Post-employment benefits

(a) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

The Company makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

(b) Defined benefit plans:

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

ix. Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

x. Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in the statement of profit and loss.

xi. Income Tax

Income tax comprises current and deferred tax. It is recognised in statement of profit and loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

a. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

b. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used.

Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

xii. Earnings per share (EPS)

Basic earnings per share ('EPS') is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of shares outstanding during the year.

Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the period except where the result would be anti-dilutive. Dilutive potential equity shares are deemed converted as of the beginning of the period unless issued at a later date.

xiii. Operating segment

Operating segments are reported in the manner consistent with the internal reporting to the chief operating decision maker (CODM). An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's board of directors to make decisions about resources to be allocated to the segments and assess their performance.

xiv. New standards and amendment to existing standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from October 1, 2021.

MCA issued notifications dated March 24, 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by the Group in its financial statements. These amendments are applicable to the Company from the financial year starting April 1, 2021.

New and amended standards

Ind AS 116: COVID-19 related rent concessions

MCA issued an amendment to Ind AS 116 Covid-19-Related Rent Concessions beyond June 30, 2021 to update the condition for lessees to apply the relief to a reduction in lease payments originally due on or before June 30, 2022 from June 30, 2021. The amendment applies to annual reporting periods beginning on or after April 1, 2021.

Amendments to Ind AS 1 and Ind AS 8: Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other

information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the restated consolidated summary statement of, nor is there expected to be any future impact to the Group. These amendments are applicable prospectively for annual periods beginning on or after the 01 April 2020. The amendments to the definition of material are not expected to have a significant impact on the Company's restated financial information.

Amendments to Ind AS 107 and Ind AS 109: Interest Rate Benchmark Reform

The amendments to Ind AS 109 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the restated summary financial information of the Company as it does not have any interest rate hedge relationships.

The amendments to Ind AS 107 prescribe the disclosures which entities are required to make for hedging relationships to which the reliefs as per the amendments in Ind AS 109 are applied. These amendments are applicable for annual periods beginning on or after the 01 April 2020. These amendments are not expected to have an impact on the Company's restated summary financial information.

Joyalukkas India Limited (Formerly known as Joyalukkas India Private Limited)

Notes to Restated financial information (continued)

(All amounts in Indian rupees millions, except where otherwise stated)

4 A Property, plant and equipment

Particulars	Freehold land	Buildings	Leasehold improvements	Plant and equipment	Computers	Electrical fittings	Office equipment	Furniture and fixtures	Vehicles	Total	Intangible assets Computer Software	Total
Cost or deemed cost												
Balance as at 1 April 2018	448.15	197.81	1,081.92	4.07	28.00	200.67	317.08	135.14	103.02	2,515.86	2.15	2,518.01
Additions/ Adjustments	-	-	184.39	0.49	9.82	24.20	66.57	23.02	17.99	326.48	-	326.48
Deletions/ Adjustments	-	-	6.51	-	-	-	-	1.00	1.03	8.54	-	8.54
Balance at 31 March 2019	448.15	197.81	1,259.80	4.56	37.82	224.87	383.65	157.16	119.98	2,833.80	2.15	2,835.95
Balance as at 1 April 2019	448.15	197.81	1,259.80	4.56	37.82	224.87	383.65	157.16	119.98	2,833.80	2.15	2,835.95
Additions/ Adjustments	97.90	55.81	373.02	-	4.42	69.29	63.32	23.19	20.15	707.10	-	707.10
Deletions/ Adjustments	-	0.80	16.15	-	0.42	2.08	3.13	1.75	1.38	25.71	-	25.71
Balance at 31 March 2020	546.05	252.82	1,616.67	4.56	41.82	292.08	443.84	178.60	138.75	3,515.19	2.15	3,517.34
Balance at 1 April 2020	546.05	252.82	1,616.67	4.56	41.82	292.08	443.84	178.60	138.75	3,515.19	2.15	3,517.34
Additions/ Adjustments	-	2.95	162.59	0.86	12.13	28.62	40.20	6.69	0.15	254.19	-	254.19
Deletions/ Adjustments	-	0.06	32.11	-	0.69	2.70	3.85	1.09	0.10	40.60	-	40.60
Balance at 31 March 2021	546.05	255.71	1,747.15	5.42	53.26	318.00	480.19	184.20	138.80	3,728.78	2.15	3,730.93
For the interim period reported												
Balance at 1 April 2020	546.05	252.82	1,616.67	4.56	41.82	292.08	443.84	178.60	138.75	3,515.19	2.15	3,517.34
Additions/ Adjustments	-	1.60	57.16	0.86	2.97	5.61	16.81	0.75	-	85.76	-	85.76
Deletions/ Adjustments	-	0.06	0.40	-	0.08	-	0.66	0.51	-	1.71	-	1.71
Balance at 30 September 2020	546.05	254.36	1,673.43	5.42	44.71	297.69	459.99	178.84	138.75	3,599.24	2.15	3,601.39
Balance at 1 April 2021	546.05	255.71	1,747.15	5.42	53.26	318.00	480.19	184.20	138.80	3,728.78	2.15	3,730.93
Additions/ Adjustments	-	95.16	95.94	-	2.80	25.10	36.88	3.40	2.51	261.79	-	261.79
Deletions/ Adjustments	-	-	7.79	-	-	0.15	2.04	1.48	0.33	11.79	-	11.79
Balance at 30 September 2021	546.05	350.87	1,835.30	5.42	56.06	342.95	515.03	186.12	140.98	3,978.78	2.15	3,980.93

Particulars	Freehold land	Buildings	Leasehold improvements	Plant and equipment	Computers	Electrical fittings	Office equipment	Furniture and fixtures	Vehicles	Total	Intangible assets - Computer Software	Total
Accumulated depreciation												
Balance at 1 April 2018	-	39.38	544.99	2.16	18.01	61.64	139.85	58.49	56.51	921.03	2.15	923.18
Depreciation for the year	-	14.51	221.21	0.50	6.61	28.39	56.68	22.66	17.16	367.72	-	367.72
Deletions/ Adjustments	-	-	2.95	-	-	-	-	0.96	1.02	4.93	-	4.93
Balance at 31 March 2019	-	53.89	763.25	2.66	24.62	90.03	196.53	80.19	72.65	1,283.82	2.15	1,285.97
Balance at 1 April 2019	-	53.89	763.25	2.66	24.62	90.03	196.53	80.19	72.65	1,283.82	2.15	1,285.97
Depreciation for the year	-	16.15	269.08	0.56	7.86	33.21	58.13	23.64	18.96	427.59	-	427.59
Deletions/ Adjustments	-	0.48	15.66	-	0.33	0.97	1.85	1.12	1.33	21.74	-	21.74
Balance at 31 March 2020	-	69.56	1,016.67	3.22	32.15	122.27	252.81	102.71	90.28	1,689.67	2.15	1,691.82
Balance at 1 April 2020	-	69.56	1,016.67	3.22	32.15	122.27	252.81	102.71	90.28	1,689.67	2.15	1,691.82
Depreciation for the year	-	17.27	482.61	0.66	7.99	34.93	54.08	20.16	16.97	634.67	-	634.67
Deletions/ Adjustments	-	0.05	32.21	-	0.61	1.83	3.83	1.01	0.10	39.64	-	39.64
Balance at 31 March 2021	-	86.78	1,467.07	3.88	39.53	155.37	303.06	121.86	107.15	2,284.70	2.15	2,286.85
For the interim period reported												
Balance at 1 April 2020	-	69.56	1,016.67	3.22	32.15	122.27	252.81	102.71	90.28	1,689.67	2.15	1,691.82
Depreciation for the half year	-	8.65	265.97	0.32	4.16	17.37	28.42	11.20	9.08	345.17	-	345.17
Deletions/ Adjustments	-	0.03	0.40	-	0.05	-	0.66	0.46	-	1.60	-	1.60
Balance at 30 September 2020	-	78.18	1,282.24	3.54	36.26	139.64	280.57	113.45	99.36	2,033.24	2.15	2,035.39
Balance at 1 April 2021	-	86.78	1,467.07	3.88	39.53	155.37	303.06	121.86	107.15	2,284.70	2.15	2,286.85
Depreciation for the half year	-	11.09	160.56	0.35	4.18	18.13	25.82	8.76	6.94	235.83	-	235.83
Deletions/ Adjustments	-	-	7.79	-	-	0.15	2.03	1.27	0.33	11.57	-	11.57
Balance at 30 September 2021	-	97.87	1,619.84	4.23	43.71	173.35	326.85	129.35	113.76	2,508.96	2.15	2,511.11
Carrying amount (net)												
At 31 March 2019	448.15	143.92	496.55	1.90	13.20	134.84	187.12	76.97	47.33	1,549.98	-	1,549.98
At 31 March 2020	546.05	183.26	600.00	1.34	9.67	169.81	191.03	75.89	48.47	1,825.52	0.00	1,825.52
At 31 March 2021	546.05	168.93	280.08	1.54	13.73	162.63	177.13	62.34	31.65	1,444.08	0.00	1,444.08
At 30 September 2020	546.05	176.18	391.19	1.88	8.45	158.05	179.42	65.39	39.39	1,566.00	-	1,566.00
At 30 September 2021	546.05	253.00	215.46	1.19	12.35	169.60	188.18	56.77	27.22	1,469.82	-	1,469.82

4 B Capital Work in Progress (CWIP)

Description	As at 30 September, 2021	As at 30 September, 2020	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2019
Balance at the beginning of the half year / year	99.40	116.22	116.22	282.30	190.56
Additions during the half year / year	-	3.31	5.85	14.56	164.32
Less: Capitalisations	(99.40)	(1.35)	(22.67)	(180.64)	(72.58)
Balance at the end of the half year / year	-	118.18	99.40	116.22	282.30

Capital Work in Progress (CWIP) ageing schedule - Based on the requirements of Amended Schedule III

As at 31st March, 2019

Particulars	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
Projects in progress	180.54	-	-	-	180.54
Projects temporarily suspended	7.53	38.16	-	56.07	101.76
Total	188.07	38.16	-	56.07	282.30

As at 31st March, 2020

Particulars	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
Projects in progress	13.87	-	-	-	13.87
Projects temporarily suspended	0.76	7.36	38.16	56.07	102.35
Total	14.63	7.36	38.16	56.07	116.22

As at 31st March, 2021

Particulars	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	0.30	0.68	4.19	94.23	99.40
Total	0.30	0.68	4.19	94.23	99.40

As at 30th September, 2020

Particulars	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
Projects in progress	18.94	-	-	-	18.94
Projects temporarily suspended	0.14	0.68	4.19	94.23	99.24
Total	19.08	0.68	4.19	94.23	118.18

As at 30th September, 2021

Particulars	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total	-	-	-	-	-

4 C Right of use assets

Reconciliation of carrying amount

Particulars	Leasehold building	Total
As at 1 April 2018	-	-
Transition impact of Ind AS 116 (Restated)	4,858.70	4,858.70
Transfer from Deferral Rent- Opening Balance	212.52	212.52
Additions	1,210.65	1,210.65
Disposals	(521.02)	(521.02)
Balance at 31 March 2019	5,760.85	5,760.85
IndAS transition adjustment	(107.21)	(107.21)
As at 1 April 2019	5,653.64	5,653.64
Additions	865.70	865.70
Disposals	-	-
Balance at 31 March 2020	6,519.34	6,519.34
Balance at 1 April 2020	6,519.34	6,519.34
Additions	82.80	82.80
Disposals	(9.87)	(9.87)
Balance at 31 March 2021	6,592.27	6,592.27
For the interim period reported		
Balance at 1 April 2020	6,519.34	6,519.34
Additions	31.73	31.73
Disposals	(8.94)	(8.94)
Balance at 30 September 2020	6,542.13	6,542.13
Balance at 1 April 2021	6,592.27	6,592.27
Additions	78.31	78.31
Disposals	(8.88)	(8.88)
Balance at 30 September 2021	6,661.70	6,661.70

Accumulated depreciation

Particulars	Leasehold building	Total
Balance at 1 April 2018	-	-
Amortisation expense	481.06	481.06
Eliminated on disposals	(11.17)	(11.17)
Eliminated on disposals	-	-
Balance at 31 March 2019	469.89	469.89
IndAS transition adjustment	(469.89)	(469.89)
Balance at 1 April 2019	-	-
Amortisation expense	591.98	591.98
Eliminated on disposals	-	-
Balance at 31 March 2020	591.98	591.98
Balance at 1 April 2020	591.98	591.98
Amortisation expense	617.61	617.61
Eliminated on disposals	(1.94)	(1.94)
Balance at 31 March 2021	1,207.65	1,207.65
For the interim period reported		
Balance at 1 April 2020	591.98	591.98
Amortisation expense	325.15	325.15
Eliminated on disposals	(1.40)	(1.40)
Balance at 30 September 2020	915.73	915.73
Balance at 1 April 2021	1,207.65	1,207.65
Amortisation expense	305.46	305.46
Eliminated on disposals	(8.37)	(8.37)
Balance at 30 September 2021	1,504.74	1,504.74
Carrying amount (net)		
As at 31 March 2019	5,290.96	5,290.96
As at 31 March 2020	5,927.36	5,927.36
As at 31 March 2021	5,384.62	5,384.62
As at 30 September 2020	5,626.40	5,626.40
As at 30 September 2021	5,156.96	5,156.96

5 Other financial assets

Particulars	As at 30 September 2021	As at 30 September 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Non current					
<i>Unsecured, considered good unless otherwise stated</i>					
Rent deposits*	312.19	326.81	303.57	329.12	309.79
Electricity and other deposits	25.15	27.23	28.22	27.52	22.33
<i>Balance with banks</i>					
In deposit account for margin money**	121.16	97.01	6.13	7.00	37.60
Interest accrued on fixed deposits	2.80	2.25	0.33	0.41	1.34
Total	461.30	453.30	338.25	364.05	371.06

* Includes amount due from related parties (30 September 2021: 21.39 million , 30 September 2020: 46.44 million, 31 March 2021: Rs. 46.44 million, 31 March 2020: 46.44 million, 31 March 2019: 46.39 million).

** Includes deposit under Pradhan Mantri Garib Kalyan Deposit Scheme, 2016 (30 September 2021: Nil, 30 September 2020: Nil, 31 March 2021: Nil, 31 March 2020: Nil, 31 March 2019: Rs. 3.75 million)

Particulars	As at 30 September 2021	As at 30 September 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Current					
<i>Unsecured, considered good unless otherwise stated</i>					
Staff advances and other deposits	52.99	51.17	51.33	2.41	2.96
Rent and other receivable*					
Considered good	1.24	1.18	1.22	2.92	29.69
Considered doubtful	22.37	22.37	22.37	22.37	-
Less: Allowance for doubtful receivable	(22.37)	(22.37)	(22.37)	(22.37)	-
	1.24	1.18	1.22	2.92	29.69
Interest accrued on fixed deposits	3.27	0.76	7.06	1.81	11.50
	57.50	53.11	59.61	7.14	44.15
Total	518.80	506.41	397.86	371.19	415.21

* Includes amounts due from related parties (30 September 2021: 1.11 million, 30 September 2020: 2.03 million, 31 March 2021: Rs. 2.19 million, 31 March 2020: 2.66 million, 31 March 2019: 1.59 million).

6 Other assets

Particulars	As at 30 September 2021	As at 30 September 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Non current					
<i>Unsecured, considered good unless otherwise stated</i>					
Capital advances					
Considered good	151.14	41.38	65.64	48.74	120.37
Considered doubtful	6.00	6.00	6.00	6.00	-
Less: Allowance for doubtful amount	(6.00)	(6.00)	(6.00)	(6.00)	-
	151.14	41.38	65.64	48.74	120.37
Advance gratuity (Refer note 33)	-	-	-	-	43.53
	151.14	41.38	65.64	48.74	163.90
Current					
<i>Unsecured, considered good unless otherwise stated</i>					
Advance for supply of goods or rendering of services	115.98	104.48	77.40	93.02	75.35
Balance with statutory / government authorities	45.72	63.84	46.15	72.84	84.28
Gold deposit - job worker	628.79	462.38	-	562.62	430.23
Prepaid expenses	35.06	15.80	30.40	20.88	9.94
	825.55	646.50	153.95	749.36	599.80
Total	976.69	687.88	219.59	798.10	763.70

7 Inventories (At lower of cost and net realisable value)

Particulars	As at 30 September 2021	As at 30 September 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Raw materials					
Gold	1,659.16	1,416.26	2,474.01	1,751.85	1,250.56
Others *	230.16	269.46	121.66	220.26	200.82
Finished goods (Refer note 24)	10,478.38	9,674.77	9,845.96	9,755.74	8,141.20
Stock-in-trade (Refer note 24) **	31,600.01	21,752.68	26,410.47	22,695.04	19,456.15
Total	43,967.71	33,113.17	38,852.10	34,422.89	29,048.73

* Do not individually exceed 10% of the total value of inventory

** Net of Provision for slow moving stock (30 September 2021: 373.05 million, 30 September 2020: Rs. 300.87 million, 31 March 2021: Rs. 285.68 million, 31 March 2020: Rs. 942.22 million, 31 March 2019: Rs. 439.84 million)

8 Trade receivables

Particulars	As at 30 September 2021	As at 30 September 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
<i>Unsecured</i>					
considered good*	174.61	8.27	120.33	60.53	243.16
Total	174.61	8.27	120.33	60.53	243.16

* 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 large and unrelated.

Particulars	Outstanding from due date of payment as on 30 September, 2021					Total
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3years	
Undisputed						
Considered good	168.41	5.36	0.02	0.82	-	174.61
Which have significant increase in credit risk	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-
Disputed						
Considered good	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-
Total	168.41	5.36	0.02	0.82	-	174.61

Particulars	Outstanding from due date of payment as on 30 September, 2020					Total
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3years	
Undisputed						
Considered good	6.25	1.09	0.93	-	-	8.27
Which have significant increase in credit risk	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-
Disputed						
Considered good	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-
Total	6.25	1.09	0.93	-	-	8.27

Particulars	Outstanding from due date of payment as on 31 March, 2021					Total
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3years	
Undisputed						
Considered good	119.50	0.01	-	0.82	-	120.33
Which have significant increase in credit risk	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-
Disputed						
Considered good	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-
Total	119.50	0.01	-	0.82	-	120.33

Particulars	Outstanding from due date of payment as on 31 March, 2020					Total
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3years	
Undisputed						
Considered good	57.07	2.57	0.85	0.04	-	60.53
Which have significant increase in credit risk	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-
Disputed						
Considered good	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-
Total	57.07	2.57	0.85	0.04	-	60.53

Particulars	Outstanding from due date of payment as on 31 March, 2019					Total
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3years	
Undisputed						
Considered good	242.93	0.01	0.04	-	0.18	243.16
Which have significant increase in credit risk	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-
Disputed						
Considered good	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-
Total	242.93	0.01	0.04	-	0.18	243.16

There are no unbilled and disputed trade receivables as on each reporting date

9 Cash and cash equivalents

Particulars	As at 30 September 2021	As at 30 September 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Cash on hand	129.66	97.85	113.48	82.28	204.44
Balance with banks in current accounts *	561.33	790.39	644.40	329.77	350.40
Total	690.99	888.24	757.88	412.05	554.84

* Includes funds in transit primarily for credit card receipts yet to be credited to the Company (30 September 2021: Rs. 85.92 million, 30 September 2020: Rs. 36.32 million, 31 March 2021: Rs. 62.47 million, 31 March 2020: Nil, 31 March 2019: Rs. 118.58 million)

10 Other bank balances

Particulars	As at 30 September 2021	As at 30 September 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Balance with banks for margin money	253.72	69.64	278.68	157.25	112.86
Total	253.72	69.64	278.68	157.25	112.86

Joyalukkas India Limited (Formerly known as Joyalukkas India Private Limited)

Notes to Restated financial information (continued)

(All amounts in Indian rupees millions, except where otherwise stated)

11 Share capital

Particulars	As at 30 September 2021		As at 30 September 2020		As at 31 March 2021		As at 31 March 2020		As at 31 March 2019	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Authorised										
Equity shares of Rs. 10 each (Refer Note a)	1,50,00,00,000	15,000	10,00,00,000	1,000	10,00,00,000	1,000	10,00,00,000	1,000	10,00,00,000	1,000
	1,50,00,00,000	15,000	10,00,00,000	1,000	10,00,00,000	1,000	10,00,00,000	1,000	10,00,00,000	1,000
Issued, subscribed and paid-up										
Equity shares of Rs. 10 each fully paid up (Refer Note b)										
At the beginning of the half year / year	7,00,34,200	700.34	7,00,34,200	700.34	7,00,34,200	700.34	7,00,34,200	700.34	7,00,34,200	700.34
At the end of the half year / year	7,00,34,200	700.34	7,00,34,200	700.34	7,00,34,200	700.34	7,00,34,200	700.34	7,00,34,200	700.34
Total	7,00,34,200	700.34	7,00,34,200	700.34	7,00,34,200	700.34	7,00,34,200	700.34	7,00,34,200	700.34

(a) Pursuant to the resolution of the members passed at the Annual General Meeting held on September 27, 2021, the Authorised Share capital of the company has been increased from Rs.1,000 million (10,00,00,000 Equity Shares of Rs. 10/- each) to Rs. 15,000 million (150,00,00,000 Equity Shares of Rs. 10/- each).

(b) The Company has only one class of equity shares. Each holder of equity shares is entitled to one vote per share. All equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. In the event of liquidation, the shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion of their shareholdings

(c) Particulars of shareholders holding more than 5% shares in the Company

Particulars	As at 30 September 2021		As at 30 September 2020		As at 31 March 2021		As at 31 March 2020		As at 31 March 2019	
	Number of shares	% holding in the class	Number of shares	% holding in the class	Number of shares	% holding in the class	Number of shares	% holding in the class	Number of shares	% holding in the class
Equity shares of Rs. 10 each fully paid - up held by Mr. Alukkas Varghese Joy	7,00,23,300	99.98%	7,00,23,300	99.98%	7,00,23,300	99.98%	7,00,23,300	99.98%	7,00,23,300	99.98%

(d) The Company's shares are held by individuals and accordingly does not have a holding/ultimate holding company.

(e) Details of buyback, bonus share, issue for consideration other than for cash in the past five years

The Company has not allotted any fully paid-up equity shares by way of bonus shares nor has bought back any class of equity shares nor has there been any issue for consideration other than for cash during the period of five years immediately preceding the balance sheet date.

(f) Shareholding of promoters

Particulars	As at 30 September 2021			As at 30 September 2020		
	Number of shares	% of holding	% of Change	Number of shares	% of holding	% of Change
Mr. Alukkas Varghese Joy	7,00,23,300	99.98%	0.00%	7,00,23,300	99.98%	-

Particulars	As at 31 March 2021			As at 31 March 2020			As at 31 March 2019		
	Number of shares	% of holding	% of Change	Number of shares	% of holding	% of Change	Number of shares	% of holding	% of Change
Mr. Alukkas Varghese Joy	7,00,23,300	99.98%	-	7,00,23,300	99.98%	-	7,00,23,300	99.98%	-

Other Equity

Particulars	As at 30 September 2021	As at 30 September 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Capital Reserve (Represents the difference between the intrinsic value of the shares of the Company as on date of allotment and the issue price charged to the employees in an earlier year)	1.37	1.37	1.37	1.37	1.37
General Reserve (Represents appropriation of profit by the Company)	169.21	169.21	169.21	169.21	169.21
Retained earnings (Retained earnings comprise of the Company's prior half years' / years' undistributed earnings after taxes)	19,017.75	14,096.87	16,328.30	11,610.76	11,006.07
Other Comprehensive Income Remeasurement of net defined benefit liability/asset	(21.32)	1.58	8.28	(3.16)	(1.26)
Total	19,167.01	14,269.03	16,507.16	11,778.18	11,175.39

Joyalukkas India Limited (Formerly known as Joyalukkas India Private Limited)
Notes to Restated financial information (continued)
(All amounts in Indian rupees millions, except where otherwise stated)

13 Borrowings - Refer note below

Particulars	As at 30 September 2021	As at 30 September 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Non current					
<i>Secured</i>					
Term loan					
From a financial institution	189.54	418.95	301.15	533.19	206.25
From a bank	634.72	1,066.98	860.24	527.59	549.73
Less: Current maturities of long term borrowings	(573.80)	(665.37)	(686.75)	(377.77)	(224.27)
	250.46	820.56	474.64	683.01	531.71
Current					
<i>From Banks, Secured</i>					
Cash credit and overdraft	53.00	661.55	364.05	1,154.52	3,011.57
Short-term loans	12,013.35	11,999.65	10,821.03	11,307.40	8,096.32
Current maturities of the long-term borrowings	573.80	665.37	686.75	377.77	224.27
<i>From Banks and Others, Un secured</i>					
Bill discount payable	2,394.57	1,121.66	2,161.06	1,700.50	503.54
	15,034.72	14,448.23	14,032.89	14,540.19	11,835.70
Total	15,285.18	15,268.79	14,507.53	15,223.20	12,367.41

Terms and conditions of outstanding Non Current borrowings are as follows:

Type of borrowings	Lenders name	Outstanding as on 30 September 2021	Outstanding as on 30 September 2020	Outstanding as on 31 March 2021	Outstanding as on 31 March 2020	Outstanding as on 31 March 2019	Tenure	Existing Interest Rate (per annum)	Pre-payment charges
Long term borrowings Refer Note 1	Tata Capital	31.25	93.75	62.50	125.00	187.50	4 Year	LTLR Rate(18.25%)- 8%	2.00% on the amount prepaid
		158.29	325.20	238.65	408.19	-	3 Year	LTLR Rate(19.25%)- 7.50%	1.00% on the amount prepaid
		-	-	-	-	18.75	4 Year	LTLR Rate(18.25%)- 6.75%	Not applicable
Long term borrowings Refer Note 2	ICICI Bank	100.00	162.50	125.00	175.00	225.00	5 Year	MCLR (8.55%) + 0.8%	1% on principal amount of the loan prepaid
		85.48	138.89	106.84	149.58	192.31	5 Year	MCLR (8.55%) + 0.8%	
		22.12	35.94	27.65	38.70	-	4.25 Year	MCLR (8.55%) + 0.8%	
Long term borrowings Refer Note 3	HDFC Bank	43.76	72.50	57.50	80.00	110.00	5 Year	MCLR (8.30%) + 1%	2% of the amount closed
Long term borrowings Refer Note 4		-	-	-	-	22.42	3 Year	Base Rate (9.30%) + 1.70%	Not applicable
Long term borrowings Refer Note 4		9.96	14.39	12.06	15.56	-	4 Year	MCLR (8.25%) + 1%	2% of the amount Closed
Long term borrowings Refer Note 4		44.06	63.59	53.28	68.75	-	3.75 Year	MCLR (8.50%) + 1%	Nil if the loan is closed using company owned funds
Long term borrowings Refer Note 5		166.67	229.17	197.91	-	-	4 Year	MCLR(7.2%)+1.4 %	4% of the loan outstanding if not paid from internal accrual
Long term borrowings Refer Note 6	SBI	96.00	250.00	180.00	-	-	2 Year	MCLR (7.75%)	Nil
Long term borrowings Refer Note 7	Canara Bank	66.67	100.00	100.00	-	-	2 Year	MCLR (7.45%) + .5%	Nil
Total		824.26	1,485.93	1,161.39	1,060.78	755.98			

Joyalukkas India Limited (Formerly known as Joyalukkas India Private Limited)
Notes to Restated financial information (continued)

(All amounts in Indian rupees millions, except where otherwise stated)

Note 1: The Term loan from financial institution is secured by equitable mortgage of certain immovable properties of Joyalukkas Lifestyle Developers Private Limited and certain immovable properties of the company and hypothecation of movable assets. The loan is repayable in equal monthly installments starting from date of disbursement. Mr. Alukkas Varghese Joy, Managing Director has offered unconditional and irrevocable personal guarantee.
Note 2: The Term loan from ICICI bank is secured by equitable mortgage of certain immovable properties of Cochin Smart City Properties P Ltd and hypothecation of specific movable fixed assets and the personal guarantee of Mr. Alukkas Varghese Joy, The Managing Director. The loan is repayable in equal quarterly installments.
Note 3: The term loan from HDFC Bank is secured by mortgage of land and building at Hyderabad in the name of Mr Alukkas Varghese Joy, the Managing Director and his personal guarantee. The loan is repayable in equal monthly instalments.
Note 4: The term loan from HDFC Bank is secured by mortgage of land and building at Thrissur in the name of the Company. Mr. Alukkas Varghese Joy, the Managing director has offered Unconditional and Irrevocable Personal Guarantee. The loan is repayable in equal monthly instalments.
Note 5: The term loan from HDFC bank is secured by personal guarantee of Mr. Alukkas Varghese Joy, the Managing director and exclusive charges over certain properties of Company, M/s Mudita Trades Pvt Limited and M/s Dalia Hotels and Resorts Pvt Ltd.
Note 6: The term loan from SBI is secured by hypothecation of entire current assets of company, and equitable mortgage over various properties of the Company as extension of charges under the Multiple Banking Arrangement. Mr. Alukkas Varghese Joy, the Managing Director and M/s Masaaki Developers Private Limited have offered certain immovable properties as collateral security. Personal guarantees have been furnished by Mr. Alukkas Varghese Joy and Mrs. Jolly Joy, wife of the Managing Director, and corporate guarantee have been furnished by M/s Masaaki Developers Private Limited.
Note 7: The term loan from Canara bank is primarily secured by first pari passu charge on entire current assets including stock and receivables of company, along with first pari passu charge over various immovable properties of company. Mr. Alukkas Varghese Joy, the Managing Director has furnished his personal guarantees and has offered certain immovable properties as security.

Terms and conditions of outstanding Current borrowings are as follows:

Type	Lenders name	Outstanding as on 30 September 2021	Outstanding as on 30 September 2020	Outstanding as on 31 March 2021	Outstanding as on 31 March 2020	Outstanding as on 31 March 2019	Security Details	Pre-payment charges
Repayable on demand								
Short Term Loans	Bank of Bahrain & Kuwait Bsc	300.00	-	-	-	-		Nil
Short Term Loans	Citi Bank	-	-	-	292.50	750.00		Nil
Short Term Loans	Axis Bank	-	750.00	-	950.00	675.00		Nil
Short Term Loans	Bank of India	500.00	503.10	500.00	500.00	500.00		Nil
Short Term Loans	Canara Bank	850.00	1,000.00	1,000.00	1,002.57	1,000.28		2% of the prepaid amount
Short Term Loans	Dhanalaxmi Bank	600.00	600.00	600.00	500.00	-		Nil
Short Term Loans	Doha Bank	450.00	450.00	450.00	450.00	440.00		Nil
Short Term Loans	HDFC Bank	1,714.60	1,570.27	1,664.81	1,118.33	1,161.04	Cash credit, overdraft and short-term loans are secured by hypothecation of the entire current assets and equitable mortgage of certain immovable properties of the Company. Mr. Alukkas Varghese Joy, Managing Director has offered certain personal immovable properties as collateral security and has furnished his personal guarantees for such loans. Mrs. Jolly Joy Alukkas, wife of Managing Director and Ms. Mary Jeny Joy, the daughter of the Managing Director, have offered their personal guarantee for few loans. Ms. Mary Jeny Joy has offered an immovable property as collateral security and M/s Masaaki Developers Pvt Ltd, Vaiga Properties Pvt Ltd and Dalia Hotels and Resorts Pvt Ltd have furnished corporate guarantees.	4% of the loan outstanding if not paid from internal accrual
Short Term Loans	ICICI Bank	292.05	625.00	625.00	125.00	-		0.25% on principal amount of the loan prepaid
Short Term Loans	IDBI Bank	675.00	450.00	550.00	450.00	-		Nil
Short Term Loans	IndusInd Bank	750.00	750.00	250.00	750.00	470.00		Nil
Short Term Loans	RBL Bank	630.00	350.00	630.00	630.00	450.00		Nil
Short Term Loans	SBI Bank	2,503.07	2,502.32	2,252.96	2,220.20	-		2.00 % of the pre-paid amount.
Short Term Loans	Standard Chartered Bank	950.00	950.00	950.00	950.00	950.00		2% of the prepaid amount
Short Term Loans	Union Bank of India	1,248.63	1,248.96	898.26	1,248.80	1,250.00		Nil
Short Term Loans	Yes Bank	550.00	250.00	450.00	120.00	450.00		Nil
Cash credit and overdraft	SBI Bank	-	1.67	3.36	270.54	2,482.14		2.00 % of the pre-paid amount. Prepayment charges will not be levied if pre-payment is at the instance of lenders or incase payment has been made from cash sweep/insurance proceeds.
Cash credit and overdraft	Citi Bank	-	-	-	77.54	-		Nil
Cash credit and overdraft	ICICI Bank	1.27	-	-	16.84	7.12		Nil
Cash credit and overdraft	IDBI Bank	1.15	259.82	151.08	295.57	93.33		Nil
Cash credit and overdraft	Bank of Baroda	50.58	400.06	209.61	494.03	428.98		Nil
Total		12,066.35	12,661.20	11,185.08	12,461.92	11,107.89		

Joyalukkas India Limited (Formerly known as Joyalukkas India Private Limited)
Notes to Restated financial information (continued)
(All amounts in Indian rupees millions, except where otherwise stated)

14 Other financial liabilities

Particulars	As at 30 September 2021	As at 30 September 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Non current					
Lease liabilities (Refer Note 36(iii))	5,560.92	5,750.36	5,639.31	5,863.01	5,161.06
	5,560.92	5,750.36	5,639.31	5,863.01	5,161.06
Current					
Lease liabilities (Refer Note 36(iii))	286.60	218.10	266.70	225.37	195.28
	286.60	218.10	266.70	225.37	195.28
Total	5,847.52	5,968.46	5,906.01	6,088.38	5,356.34

15 Gold on loan

Particulars	As at 30 September 2021	As at 30 September 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
<i>Secured</i>					
Payable to bank*	-	-	-	691.51	1,198.41
Total	-	-	-	691.51	1,198.41

* Includes amounts payable against gold purchased from ICICI bank under gold loan scheme with variable interest rates and interest is payable at monthly intervals. The credit period under the aforesaid arrangement is 180 days from the date of delivery of gold.

Joyalukkas India Limited (Formerly known as Joyalukkas India Private Limited)

Notes to Restated financial information (continued)

(All amounts in Indian rupees millions, except where otherwise stated)

16 Trade payables

Particulars	As at 30 September 2021	As at 30 September 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Total outstanding dues of micro enterprises and small enterprises	4,448.74	1,108.43	3,598.21	2,476.97	22.82
Total outstanding dues of creditors other than micro enterprise and small enterprises *	2,259.02	1,444.62	3,086.02	2,878.45	3,164.98
Total	6,707.76	2,553.05	6,684.23	5,355.42	3,187.80

* Includes dues to related parties (30 September 2021: 22.53 million, 30 September 2020: 98.86 million, 31 March 2021: Rs. 8.36 million, 31 March 2020: 62.86 million, 31 March 2019: 62.16 million).

There are no unbilled trade payable as on each reporting date

Disclosures as required under the Micro, Small and Medium Enterprises Development Act, 2006 ("the Act") based on the information available with the Company are given below:

The principal amount remaining unpaid to any supplier as at the end of the period	4,448.72	1,108.01	3,598.21	2,472.56	22.82
The interest due on the principal remaining outstanding as at the end of the period	0.02	0.42	-	4.41	-
The amount of interest paid under the Act, along with the amounts of the payment made beyond the appointed day during the half year / year	-	-	-	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act	-	-	-	-	0.42
The amount of interest accrued and remaining unpaid at the end of the half year / year	4.86	4.84	-	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under the Act	-	-	-	-	-

Trade payables ageing schedule - Based on the requirements of amended Schedule III

Particulars	Outstanding for following periods from 30 September, 2021				Total
	Upto 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Total outstanding dues of micro enterprises and small enterprises	4,448.74	-	-	-	4,448.74
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,120.43	89.33	4.78	44.48	2,259.02
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
Total	6,569.17	89.33	4.78	44.48	6,707.76

Particulars	Outstanding for following periods from 30 September, 2020				Total
	Upto 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Total outstanding dues of micro enterprises and small enterprises	1,108.29	0.14	-	-	1,108.43
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,368.30	22.55	5.43	48.34	1,444.62
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
Total	2,476.59	22.69	5.43	48.34	2,553.05

Joyalukkas India Limited (Formerly known as Joyalukkas India Private Limited)

Notes to Restated financial information (continued)

(All amounts in Indian rupees millions, except where otherwise stated)

Particulars	Outstanding for following periods from 31 March, 2021				Total
	Upto 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Total outstanding dues of micro enterprises and small enterprises	3,598.21	-	-	-	3,598.21
Total outstanding dues of creditors other than micro enterprises and small enterprises	3,026.97	9.72	7.13	42.20	3,086.02
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
Total	6,625.18	9.72	7.13	42.20	6,684.23

Particulars	Outstanding for following periods from 31 March, 2020				Total
	Upto 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Total outstanding dues of micro enterprises and small enterprises	2,476.97	-	-	-	2,476.97
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,839.45	18.00	3.02	17.98	2,878.45
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
Total	5,316.42	18.00	3.02	17.98	5,355.42

Particulars	Outstanding for following periods from 31 March, 2019				Total
	Upto 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Total outstanding dues of micro enterprises and small enterprises	22.82	-	-	-	22.82
Total outstanding dues of creditors other than micro enterprises and small enterprises	3,111.09	4.58	2.91	46.40	3,164.98
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
Total	3,133.91	4.58	2.91	46.40	3,187.80

17 Other financial liabilities

Particulars	As at 30 September 2021	As at 30 September 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Current					
Interest accrued but not due on borrowings	21.69	37.85	26.01	31.61	16.76
Dues to creditors for capital goods	2.39	27.69	14.78	29.60	37.06
Total	24.08	65.54	40.79	61.21	53.82

Joyalukkas India Limited (Formerly known as Joyalukkas India Private Limited)

Notes to Restated financial information (continued)

(All amounts in Indian rupees millions, except where otherwise stated)

18 Other current liabilities

Particulars	As at 30 September 2021	As at 30 September 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Advances received from customers*	4,584.58	2,182.58	2,529.45	3,110.24	3,287.51
Security Deposit	628.79	462.38	-	562.62	430.23
Deferred revenue**	11.73	119.23	115.27	121.22	134.21
Statutory dues payables	54.11	106.47	121.62	148.00	81.47
Gratuity payable (Refer note 33)	102.23	44.72	44.41	49.42	-
Total	5,381.44	2,915.38	2,810.75	3,991.50	3,933.42

* Advances received from customers includes amounts received towards sale of jewellery products under various sale initiatives / retail customer programmes. The advance received from customers also includes amounts totalling to Rs. 346.90 million as on September 30, 2021 (September 30, 2020: 374.71 million) (March 31, 2021: 123.22 million) (March 31, 2020: Nil) against which the customers have not claimed / purchased jewellery within the time specified in the terms and conditions of these programmes.

** Relates to loyalty points granted for customers under the "Joyalukkas Golden Rewards" scheme.

19 Provisions

Particulars	As at 30 September 2021	As at 30 September 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Provision for claims and contingencies (Note 30(iv))	200.74	200.74	200.74	-	-
Total	200.74	200.74	200.74	-	-

19.1 Provision Movement

Particulars	As at 30 September 2021	As at 30 September 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Opening Balance	200.74	-	-	-	-
Provisions made during the half year / year	-	200.74	200.74	-	-
Reversals during the half year / year	-	-	-	-	-
Provision at the end of the half year / year	200.74	200.74	200.74	-	-

Joyalukkas India Limited (Formerly known as Joyalukkas India Private Limited)

Notes to Restated financial information (continued)

(All amounts in Indian rupees millions, except where otherwise stated)

20 Revenue from operations

Particulars	For the half year ended 30 September 2021	For the half year ended 30 September 2020	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Gold	33,244.23	18,079.57	67,947.51	63,135.95	63,419.68
Diamonds	6,052.87	2,467.58	11,404.45	15,513.51	15,938.62
Others *	825.51	340.58	1,310.97	1,588.42	1,560.12
Total	40,122.61	20,887.73	80,662.93	80,237.88	80,918.42

* Includes sale of silver and pearls but do not individually exceed 10% of the total value of turnover

21 Other income

Particulars	For the half year ended 30 September 2021	For the half year ended 30 September 2020	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest income					
- on bank deposits	6.75	3.24	9.81	8.81	10.69
- on income taxes	-	-	-	1.30	-
- others	0.37	0.84	-	3.40	-
Interest income under the effective interest method on lease deposits	9.62	2.54	17.46	22.40	45.75
Insurance income	-	-	-	-	0.00
Gain on rent concessions - Refer Note 21 (i) below	111.22	154.10	245.12	-	-
Net gain on account of foreign exchange fluctuations	4.56	1.14	7.40	6.92	2.78
Rent income	5.34	5.79	12.11	23.81	25.93
Profit on sale of assets	1.89	0.70	-	3.82	2.37
Provisions no longer required written back	102.91	-	-	-	-
Other non-operating income	4.62	2.28	15.44	12.16	1.44
Total	247.28	170.63	307.34	82.62	88.96

- (i) The Company has renegotiated with certain landlords on the rent reduction/ waiver due to COVID 19 pandemic. The Management believes that such reduction/ waiver in rent is short term in nature and also meets the other conditions specified in the notification issued by the Central Government in consultation with National Financial Reporting Authority dated 24 July 2020 as Companies (Indian Accounting Standards) Amendment Rules, 2020 with effect from 1 April 2020. Thus, in accordance with the said notification, the Company has elected to apply exemption as the reduction/ waiver does not necessitate a lease modification as envisaged in the Standard by recording in the "Other income" (net of rent expenses). Accordingly, the Company has recognised Rs. 111.22 million for the half year ended 30 September 2021, Rs. 154.10 million for the half year ended 30 September 2020 and Rs 245.12 million for the year ended March 31, 2021 in the statement of profit and loss.

22 Cost of materials consumed

Particulars	For the half year ended 30 September 2021	For the half year ended 30 September 2020	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Gold	14,281.38	8,781.40	29,974.50	31,841.79	32,808.97
Diamond	119.07	-	936.93	769.54	959.00
Others *	223.64	182.59	217.25	210.71	174.37
Conversion charges	352.82	225.10	887.15	949.13	1,107.04
Total	14,976.91	9,189.09	32,015.83	33,771.17	35,049.38

* Do not individually exceed 10% of the total value of consumption

23 Purchases of stock-in-trade

Particulars	For the half year ended 30 September 2021	For the half year ended 30 September 2020	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Gold	18,540.38	4,312.65	33,907.86	26,670.21	25,309.94
Diamonds	5,449.20	313.00	5,262.92	11,467.90	10,537.35
Others *	532.04	126.10	835.36	985.90	1,014.17
Total	24,521.62	4,751.75	40,006.14	39,124.01	36,861.46

24 Change in inventory of finished goods

Particulars	For the half year ended 30 September 2021	For the half year ended 30 September 2020	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Opening stock					
Gold	25,698.98	21,042.84	21,042.84	17,384.10	15,728.87
Diamonds *	10,069.46	11,011.34	11,011.34	9,843.16	9,893.32
Others **	487.99	396.60	396.60	370.09	335.97
	36,256.43	32,450.78	32,450.78	27,597.35	25,958.16
Closing stock					
Gold	30,211.81	20,545.71	25,698.98	21,042.84	17,384.10
Diamonds*	11,306.78	10,511.55	10,069.46	11,011.34	9,843.16
Others **	559.80	370.19	487.99	396.60	370.09
	42,078.39	31,427.45	36,256.43	32,450.78	27,597.35
Total	(5,821.96)	1,023.33	(3,805.65)	(4,853.43)	(1,639.19)

* Net of additional / (write back) of provision for slow moving stock of Rs 87.37 million as on September 30, 2021 (September 30, 2020: (641.35) million) (31 March 2021: (656.54) million)

** Do not individually exceed 10% of the total value of inventory

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Notes to Restated financial information (continued)

(All amounts in Indian rupees millions, except where otherwise stated)

25 Employee benefits expense

Particulars	For the half year ended 30 September 2021	For the half year ended 30 September 2020	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Salaries, wages and bonus	882.89	504.18	1,410.18	1,775.36	1,752.37
Contribution to provident and other funds (Refer note 33)	38.23	25.98	66.78	117.14	118.70
Gratuity Expense	18.28	16.22	32.24	97.79	21.27
Staff welfare expense	62.97	37.20	102.50	145.85	151.13
Total	1,002.37	583.58	1,611.70	2,136.14	2,043.47

26 Finance costs

Particulars	For the half year ended 30 September 2021	For the half year ended 30 September 2020	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest expense on					
Borrowings	557.35	701.80	1,285.12	1,366.64	1,203.83
Gold on loan	-	9.92	9.92	30.83	42.23
Income tax (Refer Note 30 (ii))	4.39	6.10	57.59	1,408.91	307.91
Other borrowing costs	8.91	7.11	18.27	29.83	48.05
Interest expense on Lease liability	276.38	245.08	527.68	563.19	463.91
Total	847.03	970.01	1,898.58	3,399.40	2,065.93

27 Depreciation and amortisation expense

Particulars	For the half year ended 30 September 2021	For the half year ended 30 September 2020	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Depreciation of property, plant and equipment - Refer note 4A	235.83	345.17	634.67	427.59	367.71
Depreciation on Right of use asset - Refer note 4C	305.46	325.15	617.61	591.98	481.06
Total	541.29	670.32	1,252.28	1,019.57	848.77

28 Other expenses

Particulars	For the half year ended 30 September 2021	For the half year ended 30 September 2020	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Rent (Refer Note 36)	16.01	15.03	19.70	52.66	156.41
Power and fuel	85.37	57.14	131.38	190.95	184.33
Insurance	11.05	10.82	15.92	17.87	23.16
Repairs and maintenance - building / leasehold improvements	-	1.33	3.36	3.77	2.82
Repairs and maintenance - others	91.77	35.16	113.85	178.99	143.87
Rates and taxes - Refer Note 30 (iii)	42.81	228.37	291.60	46.41	57.09
Bank Charges	178.21	55.92	236.88	253.68	211.11
Auditor remuneration - Refer Note 28(i) below	2.12	1.91	3.87	3.52	3.52
Travel, stay and vehicle expenses	9.09	2.28	15.97	42.33	49.69
Legal and professional charges	18.75	8.22	45.45	61.48	47.01
Director sitting fees	0.40	-	-	-	-
Security services	33.24	28.48	55.48	76.42	87.22
Advertising and promotional expenses	170.02	70.91	511.67	1,089.26	1,374.10
Printing and stationery	14.21	6.71	22.84	26.36	29.72
Loss on sale of PPE & CWIP	-	-	1.98	-	-
Donation to Political Parties	0.30	-	7.70	-	-
Expenditure incurred for Corporate Social Responsibility - Refer Note 28 (ii) below	-	-	80.00	66.30	60.00
Miscellaneous expenses	28.77	27.30	64.50	135.14	77.53
Total	702.12	549.58	1,622.15	2,245.14	2,507.58

(i) Auditors' remuneration

Particulars	For the half year ended 30 September 2021	For the half year ended 30 September 2020	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Statutory audit	1.75	1.75	3.50	3.25	3.25
Taxation matters	0.30	0.15	0.30	-	-
Reimbursement of expenses	0.07	0.01	0.07	0.27	0.27
Total	2.12	1.91	3.87	3.52	3.52

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Notes to Restated financial information (continued)

(All amounts in Indian rupees millions, except where otherwise stated)

(ii) **Expenditure incurred for Corporate Social Responsibility**

Particulars	For the half year ended 30 September 2021	For the half year ended 30 September 2020	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Gross amount required to be spent during the half year / year	89.48	35.89	71.77	60.11	43.31
Amount spent during the half year / year on*					
Construction/Acquisition of an asset	-	-	-	-	-
On purposes other than above **	-	-	80.00	66.30	60.00
Total	-	-	80.00	66.30	60.00
(Shortfall) / excess at the end of the half year / year ***	(89.48)	(35.89)	8.23	6.19	16.69
Total of previous half years' / years' shortfall	-	-	-	-	-
Payment made to related parties (Refer Note 34)	-	-	80.00	66.30	60.00

* The Company had not incurred any liability by entering into any contractual obligation with respect to CSR projects. Accordingly, no provision was created for the above.

** Nature of CSR Activities:

CSR project or activity undertaken	Sector in which the project is covered (Clause No. of Schedule VII to the Companies Act, 2013)	Location of the Project	Actual Amount Spent: Direct or through Implementing Agency
Construction of Houses	Setting up homes and hostels for women and orphans clause (iii)	Kerala	Joyalukkas Foundation (Agency)
Flood relief	Eradicating hunger, poverty and malnutrition, sanitation clause(i)	Kerala	Joyalukkas Foundation (Agency)
Medical Camps	Preventive health care (Clause i)	Kerala	Joyalukkas Foundation (Agency)

*** Reasons for Shortfall:

For the year ending March 31, 2021, March 31, 2020 & March 31, 2019: No Shortfall

For the half year ending September 30, 2021 & September 30, 2020: The Company was in the process of identifying prospective projects as per Schedule VII of the Companies Act, 2013

29 Income tax

Particulars	As at 30 September 2021	As at 30 September 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Income tax assets/(liability)					
Current tax liabilities (net)	(386.40)	(998.60)	(607.20)	(554.18)	(428.90)

(a) Amount recognised in statement of profit and loss

Particulars	Half year ended 30 September 2021	Half year ended 30 September 2020	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
Current tax	982.08	839.11	1,709.10	1,469.86	1,385.00
Tax expense relating to prior half year / years (Refer Note 30 (i)(a))	-	-	-	1,919.86	858.25
Deferred tax	(71.02)	(4.52)	(57.40)	(318.27)	(134.65)
Tax expense for the half year / year	911.06	834.59	1,651.70	3,071.45	2,108.60

(b) From the Financial year 2019-20, the company elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognized provision for Income tax and re-measured its deferred tax liabilities (Net) based on the rate prescribed in the said Ordinance.

(c) Amount recognised in other comprehensive income

Particulars	Amount recognised in other comprehensive income			Year ended 31 March 2020	Year ended 31 March 2019
	Half year ended 30 September 2021	Half year ended 30 September 2020	Year ended 31 March 2021		
Half year ended 30 September 2021					
Re-measurement on defined benefit liability		(39.54)	9.94	(29.60)	
Half year ended 30 September 2020					
Re-measurement on defined benefit liability		6.33	(1.59)	4.74	
Year ended 31 March 2021					
Re-measurement on defined benefit liability		15.29	(3.85)	11.44	
Year ended 31 March 2020					
Re-measurement on defined benefit liability		(2.54)	0.64	(1.90)	
Year ended 31 March 2019					
Re-measurement on defined benefit liability		(5.87)	2.05	(3.82)	
Particulars	Half year ended 30 September 2021	Half year ended 30 September 2020	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
Total of tax expenses recognised in statement of profit and loss and other comprehensive income for the half year / year (a)+(b)	901.12	836.18	1,655.55	3,070.81	2,106.55
Total tax expense pertaining to earlier years	-	-	-	1,919.86	858.25

(d) Reconciliation of effective tax rate

Particulars	Half year ended 30 September 2021	Half year ended 30 September 2020	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
Profit before tax	3,600.51	3,320.70	6,369.24	3,478.50	3,269.98
Statutory income tax rate (Refer Note (b) above)	25.17%	25.17%	25.17%	25.17%	34.94%
Tax expenses	906.18	835.75	1,603.01	875.47	1,142.66
Non-deductible expenses	4.89	(1.16)	48.69	276.12	107.69
Income tax expense for the half year / year	911.06	834.59	1,651.70	1,151.59	1,250.35

(e) Recognised deferred tax assets and liabilities

(i) Deferred tax assets and liabilities are attributable to the following:

Particulars	Half year ended 30 September 2021	Half year ended 30 September 2020	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
Deferred tax asset					
Arising from timing difference in respect of:					
Employee benefits	38.04	21.43	31.52	12.44	-
Other disallowances	395.35	324.37	338.91	387.09	71.06
Excess of depreciation on fixed asset under Income Tax Act, 1961 over depreciation under Companies Act.	57.78	9.94	39.78	-	-
IndAS transition adjustment	-	-	-	-	106.19
Total deferred tax asset	491.17	355.74	410.21	399.53	177.25
Deferred tax liability					
Excess of depreciation on fixed asset under Income Tax Act, 1961 over depreciation under Companies Act.	-	-	-	(46.72)	(37.16)
Total deferred tax liability	-	-	-	(46.72)	(37.16)
Deferred tax asset (net)	491.17	355.74	410.21	352.81	140.09

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

(ii) Movement in temporary differences
For the half year ended 30 September 2021

Particulars	Balances as at 1 April 2021	Recognised in Profit and loss during 2021-22	Recognise in OCI during 2021-22	Balances as at 30 September 2021
Deferred taxes				
Excess of depreciation on fixed asset under Income Tax Act, 1961 over depreciation under Companies Act.	39.78	18.00	-	57.78
Arising from timing difference in respect of:				
Employee benefits	31.52	(3.42)	9.94	38.04
Other disallowances	338.91	56.44	-	395.35
Net deferred tax asset/(liability)	410.21	71.02	9.94	491.17

For the half year ended 30 September 2020

Particulars	Balances as at 1 April 2020	Recognised in Profit and loss during 2020-21	Recognise in OCI during 2020-21	Balances as at 30 September 2020
Deferred taxes				
Excess of depreciation on fixed asset under Income Tax Act, 1961 over depreciation under Companies Act.	(46.72)	56.66	-	9.94
Arising from timing difference in respect of:				
Employee benefits	12.44	10.58	(1.59)	21.43
Other disallowances	387.09	(62.72)	-	324.37
Net deferred tax asset/(liability)	352.81	4.52	(1.59)	355.74

For the year ended 31 March 2021

Particulars	Balances as at 1 April 2020	Recognised in Profit and loss during 2020-21	Recognise in OCI during 2020-21	Balances as at 31 March 2021
Deferred taxes				
Excess of depreciation on fixed asset under Income Tax Act, 1961 over depreciation under Companies Act.	(46.72)	86.50	-	39.78
Arising from timing difference in respect of:				
Employee benefits	12.44	19.08	-	31.52
Other disallowances	387.09	(48.18)	-	338.91
Net deferred tax asset/(liability)	352.81	57.40	-	410.21

For the year ended 31 March 2020

Particulars	Balances as at 1 April 2019	Recognised in Profit and loss during 2019-20	Recognise in OCI during 2019-20	Balances as at 31 March 2020
Deferred taxes				
Excess of depreciation on fixed asset under Income Tax Act, 1961 over depreciation under Companies Act.	(37.16)	(9.56)	-	(46.72)
Arising from timing difference in respect of:				
Employee benefits	-	11.80	0.64	12.44
Other disallowances	71.06	316.03	-	387.09
IndAS transition adjustment	106.19	-	-	-
Net deferred tax asset/(liability)	140.09	318.27	0.64	352.81

For the year ended 31 March 2019

Particulars	Balances as at 1 April 2018	Recognised in Profit and loss during 2018-19	Recognise in OCI during 2018-19	Balances as at 31 March 2019
Deferred taxes				
Excess of depreciation on fixed asset under Income Tax Act, 1961 over depreciation under Companies Act.	(56.04)	18.88	-	(37.16)
Arising from timing difference in respect of:				
Employee benefits	-	(2.05)	2.05	-
Other disallowances	59.43	11.63	-	71.06
IndAS transition adjustment	-	106.19	-	106.19
Net deferred tax asset/(liability)	3.39	134.65	2.05	140.09

30 Contingent liabilities and commitments

(i) Particulars	As at 30 Sep 2021	As at 30 Sep 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Contingent liabilities**					
Claims against the Company not acknowledged as debts *					
- On sales tax and entry tax related matters (Refer Note 30(iii) below)	1,031.14	998.01	998.01	80.40	80.59
- On service tax related matters	1.94	1.94	1.94	1.94	1.94
- On Customs duty related matters	2.20	2.20	2.20	2.20	2.20
- On income tax related matters*	104.30	104.30	104.30	104.30	133.77

* The company does not expect any reimbursement on the above contingent liability.

** Management believes that the position taken by it on the above matters are tenable and hence, no adjustment has been made to the financial statements. Future cash flows relating to above are determinable only on the receipt of judgment decision from relevant forum/authorities

Income Tax

(ii) The search proceedings under the provisions of section 132(1) and section 133A of the Income Tax Act, 1961 (Act) at the offices and showrooms of the Company, employees' residences and managing director's residence was conducted by the Income Tax Department on January 10, 2018. The Company had not received any demand notice post the search. During the year 2018-19, Company received notices under Section 153A of the income Tax Act 1961 initiating the assessment for Assessment years 2009-2010 to 2017-2018. In response Company had filed return under section Section 153A for the Assessment years 2009-2010 to 2017-2018 offering an income of Rs. 2,605.22 million and paid Rs. 1,118.78 million (Income tax Rs.858.25 million, Interest Rs.260.53 million) towards additional income tax liability and interest during the year 2018-2019 and has been reflected in the statement of Profit & Loss account for the year ended March 2019, as Tax expense relating to prior years.

In order to avoid tax litigations, the company and managing director have filed Settlement Petition before the Hon'ble Settlement Commission, Chennai on December 30, 2019. Accordingly, the Company has paid income tax with interest on the income of Rs. 4,831.47 million voluntarily offered for financial years 2008-2009 to 2017-2018. The amounts paid aggregating to Rs. 3,254.01 million (Income tax Rs. 1,900.64 million, Interest Rs. 1,353.37 million) has been reflected in the statement of Profit & Loss account for the year ended March 2020, as Tax expense relating to prior years. The Company's Settlement Petition has been admitted by the Income tax Settlement Commission by their order dated January 13, 2020 issued u/s 245D (1) of the Act.

The income offered, related expenses and assets are not accounted in the books of accounts for the years ended March 31, 2019 and March 31, 2020.

During the financial year 2020-21, the Company received a report under Rule 9 of ITSC Rules issued by Principal Commissioner of Income tax for which responses have been submitted by the Company. The Government has abolished the Settlement commission with effect from February 1, 2021 and a new interim board has been constituted for handling the pending cases. The Interim board will conduct e-settlement of the pending cases as per the Notification dated November 1, 2021. Pending such hearing by the interim board and the resultant outcome, any additional provision for tax including interest and other charges is not presently ascertainable.

Proceedings under Prohibition of Benami Properties Transactions Act, 1988

(iii) During 2018-19, the Assistant Commissioner of Income tax (Benami prohibition Unit)- ACIT, issued notices to 8 entities with a copy to the Company, alleging that the said entities were being operated by the Company in the name of its employees. After various hearings and submissions, ACIT has issued a provisional attachment order dated March 27, 2019 identifying the entities as Benamidars and the Company as beneficial owner. The value of such properties which is capital balance amounting to Rs. 92.83 Million.

In the meanwhile the Adjudicating authority of the Prohibition of Benami Properties Transactions Act, 1988 New Delhi had passed an order on March 16, 2020 confirming the provisional attachment order passed by the Assistant Commissioner of Income Tax (Benami Prohibition Unit), value of the Benami property as Rs. 92.83 Million.

The Company has filed an appeal against the order of the Adjudicating authority of the Prohibition of Benami Properties Transactions Act, New Delhi with the Hon'ble Appellate Tribunal - New Delhi on July 13, 2020 and the matter is pending.

Based on legal advice, since there is no tax evasion and creation of assets out of amount generated through tax evasion which are the main ingredients of a Benami transaction the Company is confident of a favourable order from the Hon'ble Appellate Tribunal.

Sales tax

(iv) The Company has received Notice of Demand for penalties aggregating to Rs. 1,131.47 million for the assessment years from 2011-2012 to 2017-2018 under section 67(1) of Kerala Valued Added Tax Act, 2002 by Intelligence Officer, Thrissur based on the income offered arising out of search proceedings. The Company had received interim stay order from High Court of Kerala for initiating recovery proceeding for all the assessment years. Further, The Company has filed appeal, for the assessment years from 2011-2012 to 2013-2014, before High Court of Kerala for quashing the order as it is arbitrary and without jurisdiction, barred by limitation, null and void and violate Articles 14 & 265 of the Constitution of India and for the Assessment years from 2014-2015 to 2017-2018, before Office of Deputy Commissioner, Kerala for 100% relaxation from penalty and relief.

These matters are pending to be heard in the above-mentioned forums. The management based on its assessment and legal advice are confident of the outcome of the matters to be its favour. However as a matter of prudence, the company has provided for an amount of Rs. 200.74 million during the half year ended September 30, 2020 and year ending March 31, 2021 which it believes shall be the probable outflow of resources. The matter is pending with relevant authorities.

(v) Commitments

Particulars	As at 30 Sep 2021	As at 30 Sep 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Estimated amount of contracts remaining to be executed on capital account (net of capital advances) and not provided for	162.36	31.20	46.14	59.17	22.85

31 Earnings per share

Particulars	Half year ended 30 Sep 2021	Half year ended 30 Sep 2020	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
Profit for the half year / year attributable to equity shareholders	2,689.45	2,486.11	4,717.54	407.05	1,161.38
Weighted average number of equity shares	7,00,34,200	7,00,34,200	7,00,34,200	7,00,34,200	7,00,34,200
Basic and Diluted Earnings per share "Pre-Bonus" (In Rs.) (Non-Annualised for the half year ended September 30, 2021 and September 30, 2020) *	38.40	35.50	67.36	5.81	16.58
Par value of equity shares Rs. 10 each.					
Number of paid up equity shares	7,00,34,200	7,00,34,200	7,00,34,200	7,00,34,200	7,00,34,200
Add: Impact of bonus issue effected during the half year ended September 30, 2021 (Refer Note 42)	70,03,42,000	70,03,42,000	70,03,42,000	70,03,42,000	70,03,42,000
Weighted average number of equity shares	77,03,76,200	77,03,76,200	77,03,76,200	77,03,76,200	77,03,76,200
Basic and Diluted Earnings per share "Post-Bonus" (In Rs.) (Non-Annualised for the half year ended September 30, 2021 and September 30, 2020) *	3.49	3.23	6.12	0.53	1.51
Par value of equity shares Rs. 10 each.					

* The Company has no potentially dilutive equity shares as at the balance sheet date.

Note:

The impact of bonus issue has been retrospectively considered for the computation of basic and diluted Earnings Per Share for all the comparatives periods reported, as per the requirement of Ind AS 33. (Also Refer Note 42).

Joyalukkas India Limited (Formerly known as Joyalukkas India Private Limited)

Notes to Restated financial information (continued)

(All amounts in Indian rupees millions, except where otherwise stated)

32 Financial Instruments- Fair values and risk management

A Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

As at 30 September 2021		Carrying amount				Fair value			
Particulars	Note	Financial assets at amortised cost	Mandatorily at FVTPL	Other financial liabilities at amortised cost	Total carrying value	Level 1	Level 2	Level 3	Total
Assets									
Financial assets not measured at fair value*									
Cash and cash equivalents		690.99	-	-	690.99	-	-	-	-
Other bank balances		253.72	-	-	253.72	-	-	-	-
Trade receivables		174.61	-	-	174.61	-	-	-	-
Other financial assets		518.80	-	-	518.80	-	-	-	-
Total		1,638.12	-	-	1,638.12				
Liabilities									
Financial liabilities measured at fair value*									
Gold on Loan		-	-	-	-	-	-	-	-
Financial liabilities not measured at fair value*									
Trade payables		-	-	6,707.76	6,707.76	-	-	-	-
Borrowings		-	-	15,285.18	15,285.18	-	-	-	-
Lease liabilities		-	-	5,847.52	5,847.52	-	-	-	-
Other financial liabilities		-	-	24.08	24.08	-	-	-	-
Total		-	-	27,864.54	27,864.54				

As at 30 September 2020		Carrying amount				Fair value			
Particulars	Note	Financial assets at amortised cost	Mandatorily at FVTPL	Other financial liabilities at amortised cost	Total carrying value	Level 1	Level 2	Level 3	Total
Assets									
Financial assets not measured at fair value*									
Cash and cash equivalents	9	888.24	-	-	888.24	-	-	-	-
Other bank balances	10	69.64	-	-	69.64	-	-	-	-
Trade receivables	8	8.27	-	-	8.27	-	-	-	-
Other financial assets	5	506.41	-	-	506.41	-	-	-	-
Total		1,472.56	-	-	1,472.56				
Liabilities									
Financial liabilities measured at fair value*									
Gold on Loan		-	-	-	-	-	-	-	-
Financial liabilities not measured at fair value*									
Trade payables	16	-	-	2,553.05	2,553.05	-	-	-	-
Borrowings	13	-	-	15,268.79	15,268.79	-	-	-	-
Lease liabilities	14	-	-	5,968.46	5,968.46	-	-	-	-
Other financial liabilities	17	-	-	65.54	65.54	-	-	-	-
Total		-	-	23,855.84	23,855.84				

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Notes to Restated financial information (continued)

(All amounts in Indian rupees millions, except where otherwise stated)

As at 31 March 2021		Carrying amount				Fair value			
Particulars	Note	Financial assets at amortised cost	Mandatorily at FVTPL	Other financial liabilities at amortised cost	Total carrying value	Level 1	Level 2	Level 3	Total
Assets									
Financial assets not measured at fair value*									
Cash and cash equivalents	9	757.88	-	-	757.88	-	-	-	-
Other bank balances	10	278.68	-	-	278.68	-	-	-	-
Trade receivables	8	120.33	-	-	120.33	-	-	-	-
Other financial assets	0	397.86	-	-	397.86	-	-	-	-
Total		1,554.75	-	-	1,554.75				
Liabilities									
Financial liabilities not measured at fair value*									
Trade payables	16	-	-	6,684.23	6,684.23	-	-	-	-
Borrowings	13	-	-	14,507.53	14,507.53	-	-	-	-
Lease liabilities	14	-	-	5,906.01	5,906.01	-	-	-	-
Other financial liabilities	17	-	-	40.79	40.79	-	-	-	-
Total		-	-	27,138.56	27,138.56				

As at 31 March 2020		Carrying amount				Fair value			
Particulars	Note	Financial assets at amortised cost	Mandatorily at E107FVTPL	Other financial liabilities at amortised cost	Total carrying value	Level 1	Level 2	Level 3	Total
Assets									
Financial assets not measured at fair value*									
Cash and cash equivalents	9	412.05	-	-	412.05	-	-	-	-
Other bank balances	10	157.25	-	-	157.25	-	-	-	-
Trade receivables	8	60.53	-	-	60.53	-	-	-	-
Other financial assets	0	371.19	-	-	371.19	-	-	-	-
Total		1,001.02	-	-	1,001.02				
Liabilities									
Financial liabilities measured at fair value*									
Gold on Loan	15	-	-	691.51	691.51	691.51	-	-	691.51
		-	-	691.51	691.51	691.51	-	-	691.51
Financial liabilities not measured at fair value*									
Trade payables	16	-	-	5,355.42	5,355.42	-	-	-	-
Borrowings	13	-	-	15,223.20	15,223.20	-	-	-	-
Lease liabilities	14	-	-	6,088.38	6,088.38	-	-	-	-
Other financial liabilities	17	-	-	61.21	61.21	-	-	-	-
Total		-	-	26,728.21	26,728.21				

*The Company has not disclosed the fair values for financial instruments such as cash and cash equivalents, trade receivables, trade payables etc, because their carrying amounts are a reasonable approximation of fair value.

Joyalukkas India Limited (Formerly known as Joyalukkas India Private Limited)

Notes to Restated financial information (continued)

(All amounts in Indian rupees millions, except where otherwise stated)

As at 31 March 2019		Carrying amount				Fair value			
Particulars	Note	Financial assets at amortised cost	Mandatorily at FVTPL	Other financial liabilities at amortised cost	Total carrying value	Level 1	Level 2	Level 3	Total
Assets									
Financial assets not measured at fair value*									
Cash and cash equivalents	8	554.84	-	-	554.84	-	-	-	-
Other bank balances	0	112.86	-	-	112.86	-	-	-	-
Trade receivables	0	243.16	-	-	243.16	-	-	-	-
Other financial assets	0	415.21	-	-	415.21	-	-	-	-
Total		1,326.07	-	-	1,326.07	-	-	-	-
Liabilities									
Financial liabilities measured at fair value*									
Gold on Loan	15	-	-	1,198.41	1,198.41	1,198.41	-	-	1,198.41
		-	-	1,198.41	1,198.41	1,198.41	-	-	1,198.41
Financial liabilities not measured at fair value*									
Trade payables	16	-	-	3,187.80	3,187.80	-	-	-	-
Borrowings	13	-	-	12,367.41	12,367.41	-	-	-	-
Lease liabilities	14	-	-	5,356.34	5,356.34	-	-	-	-
Other financial liabilities	17	-	-	53.82	53.82	-	-	-	-
Total		-	-	20,965.37	20,965.37	-	-	-	-

*The Company has not disclosed the fair values for financial instruments such as cash and cash equivalents, trade receivables, trade payables etc, because their carrying amounts are a reasonable approximation of fair value.

32 Financial Instruments- Fair values and risk management (continued)

B Financial risk management

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk.

Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the risk management framework.

The risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The board of directors are assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported on a regular basis.

i) 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

The 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 the Company by credit worthiness checks. The Company also carries credit risk on lease deposits with landlords for store properties taken on leases, 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 the Company generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

ii) Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of 30 September 2021:

Particulars	Less than 1 year	1-2 years	More than 2 years	Total
Current borrowings	15,034.72	-	-	15,034.72
Non current borrowings	-	211.45	39.01	250.46
Lease liabilities	286.60	287.69	5,273.23	5,847.52
Trade payables	6,569.17	89.33	49.26	6,707.76
Other financial liabilities	24.08	-	-	24.08
Total	21,914.57	588.47	5,361.50	27,864.54

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of 30 September 2020:

Particulars	Less than 1 year	1-2 years	More than 2 years	Total
Current borrowings	14,448.23	-	-	14,448.23
Non current borrowings	-	676.50	144.06	820.56
Lease liabilities	218.10	283.87	5,466.49	5,968.46
Trade payables	2,476.59	22.69	53.77	2,553.05
Other financial liabilities	65.54	-	-	65.54
Total	17,208.46	983.06	5,664.32	23,855.84

32 Financial Instruments- Fair values and risk management (continued)

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of 31 March 2021:

Particulars	Less than 1 year	1-2 years	More than 2 years	Total
Current borrowings	14,032.89	-	-	14,032.89
Non current borrowings	-	379.47	95.17	474.64
Lease liabilities	266.70	506.54	5,132.77	5,906.01
Trade payables	6,625.18	9.72	49.33	6,684.23
Other financial liabilities	40.79	-	-	40.79
Total	20,965.56	895.73	5,277.27	27,138.56

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of 31 March 2020:

Particulars	Less than 1 year	1-2 years	More than 2 years	Total
Current borrowings	14,540.19	-	-	14,540.19
Non current borrowings	-	389.59	293.42	683.01
Gold on loan	691.51	-	-	691.51
Lease liabilities	225.37	279.67	5,583.34	6,088.38
Trade payables	5,316.42	18.00	21.00	5,355.42
Other financial liabilities	61.21	-	-	61.21
Total	20,834.70	687.26	5,897.76	27,419.72

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of 31 March 2019:

Particulars	Less than 1 year	1-2 years	More than 2 years	Total
Current borrowings	11,835.70	-	-	11,835.70
Non current borrowings	-	183.10	348.61	531.71
Gold on loan	1,198.41	-	-	1,198.41
Lease liabilities	195.28	217.60	4,943.46	5,356.34
Trade payables	3,133.91	4.58	49.31	3,187.80
Other financial liabilities	53.82	-	-	53.82
Total	16,417.12	405.28	5,341.38	22,163.78

Joyalukkas India Limited (Formerly known as Joyalukkas India Private Limited)
Notes to Restated financial information (continued)
(All amounts in Indian rupees millions, except where otherwise stated)

iii) **Market Risk**

a) **Price Risk**

The Company enters into contracts to purchase gold wherein the Company has 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

b) **Currency Risk**

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to US Dollar and AED. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the Company's functional currency. The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities based on gross exposure at the end of the reporting period is as under:

Particulars	Liabilities					Assets				
	30 September 2021	30 September 2020	31 March 2021	31 March 2020	31 March 2019	30 September 2021	30 September 2020	31 March 2021	31 March 2020	31 March 2019
Trade receivables										
Considered Good	-	-	-	-	-	131.60	-	90.75	33.22	94.62
Advance to Suppliers										
Considered Good	-	-	-	-	-	8.39	-	-	7.16	-
Trade Payables										
Total outstanding dues of creditors other than micro enterprises and small enterprises	1.71	-	-	0.35	63.25	-	-	-	-	-

Foreign Currency Sensitivity analysis

The Company's sensitivity to a 10% increase and decrease in INR against the relevant foreign currencies is presented below:

Particulars	30 September 2021		30 September 2020		31 March 2021		31 March 2020		31 March 2019	
	Impact on profit or (loss)	Impact on equity, net of tax	Impact on profit or (loss)	Impact on equity, net of tax	Impact on profit or (loss)	Impact on equity, net of tax	Impact on profit or (loss)	Impact on equity, net of tax	Impact on profit or (loss)	Impact on equity, net of tax
Currency Impact relating to foreign currencies of										
Rs/USD/AED - Increase by 10%	13.83	10.35	-	-	9.08	6.79	4.00	3.00	3.14	2.04
Rs/USD/AED - Decrease by 10%	(13.83)	(10.35)	-	-	(9.08)	(6.79)	(4.00)	(3.00)	(3.14)	(2.04)

c) **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.

Exposure to Interest rate risk

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	As at	As at	As at	As at	As at
	30 September 2021	30 September 2020	31 March 2021	31 March 2020	31 March 2019
Fixed-rate instruments					
Financial assets - Fixed deposits	374.88	166.65	284.81	164.25	150.46
Financial liabilities - Borrowings (including current maturities of long-term loans)	-	-	-	-	-
Net financial assets / (liability)	374.88	166.65	284.81	164.25	150.46
Variable-rate instruments					
Financial liabilities - Borrowings (including current maturities of long-term loans)	824.26	1,485.93	1,161.39	1,060.78	755.98
Net financial assets / (liability)	(824.26)	(1,485.93)	(1,161.39)	(1,060.78)	(755.98)

Joyalukkas India Limited (Formerly known as Joyalukkas India Private Limited)

Notes to Restated financial information (continued)

(All amounts in Indian rupees millions, except where otherwise stated)

Fair value sensitivity analysis for fixed-rate instruments

Particulars	Impact on profit or (loss)					Impact on equity, net of tax				
	30 September 2021	30 September 2020	31 March 2021	31 March 2020	31 March 2019	30 September 2021	30 September 2020	31 March 2021	31 March 2020	31 March 2019
Sensitivity										
1% increase in rate	3.75	1.67	2.85	1.64	1.50	2.81	1.25	2.13	1.23	0.98
1% decrease in rate	(3.75)	(1.67)	(2.85)	(1.64)	(1.50)	(2.81)	(1.25)	(2.13)	(1.23)	(0.98)

The interest rate sensitivity is based on the closing balance of borrowings and closing balance of fixed deposits.

Cash flow sensitivity analysis for variable-rate instruments

Particulars	Impact on profit or (loss)					Impact on equity, net of tax				
	30 September 2021	30 September 2020	31 March 2021	31 March 2020	31 March 2019	30 September 2021	30 September 2020	31 March 2021	31 March 2020	31 March 2019
Sensitivity										
1% increase in rate	(8.24)	(14.86)	(11.61)	(10.61)	(7.56)	(6.17)	(11.12)	(8.69)	(7.94)	(4.92)
1% decrease in rate	8.24	14.86	11.61	10.61	7.56	6.17	11.12	8.69	7.94	4.92

The interest rate sensitivity is based on the closing balance of borrowings.

33 Employee benefits

(i) Defined Contribution Plans

The Company makes contributions, determined at a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund and Employees State Insurance, which are defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue.

Particulars	As at 30 September 2021	As at 30 September 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Provident fund	34.27	20.28	59.04	100.60	96.50
Employee state insurance	3.96	5.70	7.74	16.54	22.20
Total	38.23	25.98	66.78	117.14	118.70

(ii) Defined Benefit Plans

Gratuity

The Company has a defined benefit gratuity plan as per the Payment of Gratuity Act, 1972 ('Gratuity Act'). Under the Gratuity Act, employee who has completed five years of service is entitled to specific benefit. The level of benefit provided depends on the employee's length of service and salary at retirement/termination age.

A Assets and liabilities relating to employee benefits

Based on an actuarial valuation, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

Particulars	As at 30 September 2021	As at 30 September 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Defined benefit obligation liability	300.94	236.65	242.22	226.71	123.62
Plan assets	198.71	191.93	197.81	177.29	167.15
Total employee benefit liability / (asset)	102.23	44.72	44.41	49.42	(43.53)

B Changes in the present value of defined benefit obligation

Particulars	Half year ended 30 September 2021	Half year ended 30 September 2020	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
Balance at beginning of the year	242.22	226.71	226.71	123.62	96.60
Benefit paid	(5.64)	(6.18)	(14.13)	(9.35)	(9.23)
Current service cost	16.97	15.00	29.95	32.41	23.94
Prior Service Costs	-	-	-	68.37	-
Interest cost	7.06	6.47	13.13	7.53	6.74
Actuarial (gain)/loss recognised in other comprehensive income					
- changes in demographic assumptions	-	-	-	-	(3.23)
- changes in financial assumptions	1.09	9.14	4.39	14.00	12.04
- experience adjustments	39.24	(14.49)	(17.83)	(9.87)	(3.24)
Net defined benefit liability	300.94	236.65	242.22	226.71	123.62

C Movement in fair value of plan assets

Particulars	Half year ended 30 September 2021	Half year ended 30 September 2020	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
Balance at beginning of the year	197.81	177.29	177.29	167.15	98.57
Employer contribution	-	14.59	21.96	7.38	68.70
Benefits pay-out from plan	(5.64)	(6.18)	(14.13)	(9.35)	(9.23)
Interest income of assets	5.75	5.25	10.84	10.52	9.41
Actuarial gain/loss	0.79	0.98	1.85	1.59	(0.30)
Balance at end of the year	198.71	191.93	197.81	177.29	167.15

D (i) Expense recognised in statement of profit and loss

Particulars	Half year ended 30 September 2021	Half year ended 30 September 2020	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
Current service cost	16.97	15.00	29.95	32.41	23.94
Prior Service Costs	-	-	-	68.37	-
Interest cost (net)	1.31	1.22	2.29	(2.99)	(2.67)
Net gratuity cost	18.28	16.22	32.24	97.79	21.27

(ii) Remeasurements recognised in other comprehensive income

Particulars	Half year ended 30 September 2021	Half year ended 30 September 2020	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
Actuarial (gain)/loss on defined benefit obligation	40.33	(5.35)	(13.44)	4.13	5.57
Actuarial (gain)/loss on plan assets	(0.79)	(0.98)	(1.85)	(1.59)	0.30
Net Actuarial (gain)/loss recognised in other comprehensive income	39.54	232 (6.33)	(15.29)	2.54	5.87

Joyalukkas India Limited (Formerly known as Joyalukkas India Private Limited)

Notes to Restated financial information (continued)

(All amounts in Indian rupees millions, except where otherwise stated)

E Defined benefit obligation

(i) Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted average)

Particulars	30 September 2021		30 September 2020		31 March 2021		31 March 2020		31 March 2019	
Discount rate	5.90%		5.79%		5.98%		6.33%		7.33%	
Expected escalation in salary rate	7%		7%		7%		7%		7%	
Attrition rate	23%		23%		23%		23%		23%	
Graded Rates	From 35 Years	18.16%	From 35 Years	17.25%	From 35 Years	18.16%	Upto 35 Years	16.43%	Upto 35 Years	15.68%
	From 40 Years	12.11%	From 40 Years	11.50%	From 40 Years	12.11%	Upto 40 Years	10.95%	Upto 40 Years	10.45%
	From 45 years	6.05%	From 45 years	5.75%	From 45 years	6.05%	Upto 45 years	5.48%	Upto 45 years	5.22%
	From 50 years	2.00%	From 50 years	2.00%	From 50 years	2.00%	Upto 50 years	2.00%	Upto 50 years	2.00%

Assumptions regarding future mortality, experience are set in accordance with the published statistics by the Life Insurance Corporation of India. The Company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards. The discount rate is based on the government securities yield. Gratuity is applicable only to employees drawing a salary in Indian rupees and there are no other foreign defined benefit gratuity plans.

(ii) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Particulars	30 September 2021		30 September 2020		31 March 2021		31 March 2020		31 March 2019	
	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(18.51)	21.18	(14.74)	16.94	(14.60)	16.70	(12.92)	14.57	(7.28)	8.32
Future salary growth (1% movement)	18.93	(16.89)	15.30	(13.53)	15.08	(13.39)	10.66	(9.51)	7.57	(6.71)
Withdrawal rate (1% movement)	(2.90)	3.19	(2.51)	2.77	(2.24)	2.45	(1.32)	1.41	(0.61)	0.65

Although the analysis does not take account of the full distribution of the cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumption shown.

Joyalukkas India Limited (Formerly known as Joyalukkas India Private Limited)**Notes to Restated financial information (continued)**

(All amounts in Indian rupees millions, except where otherwise stated)

34 Related parties

(i) Names of related parties and description of relationship with the Company:

(a) Key managerial personnel:

Mr. Alukkas Varghese Joy	Managing Director
Mr. John Paul Joy Alukkas (w.e.f July 29, 2021)	Director
Mr. Thomas Scaria (w.e.f July 29, 2021)	Director
Mr. P D Jose (Resigned w.e.f August 2, 2021)	Executive Director
Mr. Joseph Christo (from 16th November, 2020 to August 2, 2021)	Executive Director
Mr. P P Jose (Resigned w.e.f 2nd September, 2020)	Director
Mr. Baby George	Chief Executive Officer
Mr. Tom Jose	Chief Financial Officer
Mr. A Babu (Resigned in 30th April, 2020)	Company Secretary
Ms. Geetha G Nair (w.e.f. 01st June, 2020)	Company Secretary

(b) Relatives of key managerial personnel:

Mrs. Jolly Joy Alukkas	Wife of Managing Director
Ms. Elsa Joy	Daughter of Managing Director & Manager - Business Development
Ms. Mary Jeny Joy	Daughter of Managing Director
Mr. P D Francis	Brother of Executive Director & Deputy General Manager - Retail

Other related parties with whom transactions have taken place during the year:

<i>(c) Entities over which the key managerial personnel and relatives have control/ significant influence</i>	Joyalukkas Retail Private Limited, India
	Cochin Smart Citi Properties Private Limited, India
	Mall of Joy Private Limited, India
	Francis Diamonds, India
	H D Diamonds
	Joyalukkas Foundation
	Geomento Trading (Dawn Kokken), India
	Daliya Hotels and Resorts Pvt Ltd
	Fusion Technosoft Pvt Ltd
	Joyalukkas Lifestyle Developers Pvt Ltd
	Natura Lifestyle Pvt Ltd
	Thea Lifestyle Pvt Ltd
	Vaiga Properties Pvt Ltd
	Mudita Trades Pvt Ltd
	Lionel Jewellery Private Limited (previously Joyalukkas Jewellery Pvt Ltd.)
	Joyalukkas Money exchange Pvt Ltd
	Sarayu Developers Pvt Ltd
	Masaaki Developers Pvt Ltd

34 Related parties (continued)

(ii) Related party transactions:

The Company has entered into the following transactions with related parties

Particulars	For the half year ended	For the half year ended	For the year ended	For the year ended	For the year ended
	30 September 2021	30 September 2020	31 March 2021	31 March 2020	31 March 2019
Sale of goods:					
Joyalukkas Lifestyle Developers Pvt Ltd.	-	0.06	0.16	0.12	0.24
Joyalukkas Retail Private Limited, India	0.17	-	-	0.26	-
HD Diamonds	-	-	-	2.01	-
Purchase of Goods:					
Francis Diamonds	13.61	20.40	48.19	71.63	62.55
Joyalukkas Retail Private Limited, India	4.39	0.47	5.16	12.37	13.38
Joyalukkas Lifestyle Developers Pvt Ltd.	-	0.10	0.10	0.06	0.10
Mudita Trades Pvt Ltd	-	-	-	0.05	-
Mall of Joy Private Limited, India	-	-	-	0.05	-
HD Diamonds	2.65	2.54	13.45	41.07	-
Managerial remuneration: *					
Alukkas Varghese Joy	60.00	37.50	90.00	90.00	90.00
P.D Jose	2.05	1.67	3.10	3.33	3.16
P D Francis	1.11	1.49	2.79	3.01	2.93
Joseph Christo	0.49	-	0.83	-	-
Baby George	2.19	1.26	2.34	2.52	2.38
Elsa Joy	4.21	1.66	4.66	0.35	-
Tom Jose	2.49	-	-	-	-
A Babu	-	0.12	0.12	1.55	0.64
Geetha G Nair	0.78	0.38	0.98	-	-
Commission:					
Alukkas Varghese Joy	-	-	-	96.00	75.64
Rent expense:					
Alukkas Varghese Joy	0.75	0.52	1.27	0.48	0.48
Mudita Trades Pvt Ltd	0.06	-	-	-	-
Cochin Smart city properties Private Limited,	-	0.03	0.03	0.12	0.12
Masaaki Developers Pvt Ltd	-	0.09	0.20	-	-
Mall of Joy Private Limited, India	4.35	3.14	7.87	17.94	18.80
Daliya Hotels and Resorts Pvt Ltd.	0.30	0.20	0.50	0.60	0.60
Making charges paid:					
Geomento Trading (Dawn Kokken)	2.46	1.86	4.03	5.22	6.32
HD Diamonds	-	-	-	2.10	-
CSR Expenditure:					
Joyalukkas foundation	-	-	80.00	66.00	60.00
Rent income:					
Joyalukkas Retail Private Limited, India	9.60	7.54	20.11	20.01	20.48
Cochin Smart city properties Private Limited,	-	0.02	0.04	0.06	0.02
Daliya Hotels and Resorts Pvt Ltd.	0.01	0.00	0.01	-	-
Lionel Jewellery Private Limited (previously Joyalukkas Jewellery Pvt Ltd.)	0.02	0.02	0.04	-	-
Vaiga Properties Pvt Ltd	0.01	0.00	0.01	0.01	0.00
Thea Lifestyle Pvt Ltd .	0.01	0.01	0.01	0.01	0.02
Joyalukkas Money exchange Pvt Ltd	0.01	0.00	0.01	-	-
Joyalukkas Lifestyle Developers Pvt Ltd.	0.02	0.00	0.03	-	-
Mall of Joy Private Limited, India	0.02	0.02	0.04	-	-
Sarayu Developers Pvt Ltd	0.01	0.00	0.01	-	-
Natura Lifestyle Pvt Ltd.	0.01	0.00	0.01	0.01	0.00
Joyalukkas foundation	0.01	0.02	0.02	-	-
Fusion Technosoft Pvt Ltd.	0.01	0.00	0.01	0.01	0.00

34 Related parties (continued)

Amount outstanding as at the balance sheet date:

Particulars	As at	As at	As at	As at	As at
	30 September 2021	30 September 2020	31 March 2021	31 March 2020	31 March 2019
Rental deposits Paid:					
Cochin Smart city properties Private Limited,	-	25.00	25.00	25.00	25.00
Mall of Joy Private Limited, India	13.59	13.59	13.59	13.59	13.59
Alukkas Varghese Joy	7.50	7.50	7.50	7.50	7.50
Daliya Hotels and Resorts Pvt Ltd.	0.30	0.30	0.30	0.30	0.30
Masaaki Developers Pvt Ltd	-	0.05	0.05	0.05	-
Rental deposits received :					
Joyalukkas Retail Private Limited, India	4.34	4.34	4.34	4.34	4.34
Rent receivable:					
Joyalukkas Retail Private Limited, India	1.02	1.99	2.15	2.66	1.57
Cochin Smart city properties Private Limited,	-	0.01	0.01	-	0.01
Joyalukkas Lifestyle Developers Pvt Ltd.	0.01	0.01	0.01	-	-
Mall of Joy Private Limited, India	0.01	0.01	0.01	-	-
Vaiga Properties Pvt Ltd	0.06	0.00	-	-	0.00
Lionel Jewellery Private Limited (previously Joyalukkas Jewellery Pvt Ltd.)	0.01	0.01	0.01	-	0.01
Trade Payable:					
Cochin Smart city properties Private Limited,	-	0.01	0.01	0.01	0.01
Daliya Hotels and Resorts Pvt Ltd.	0.05	0.05	0.05	-	-
Mall of Joy Private Limited, India	-	-	-	0.52	0.53
Mudita Trades Pvt Ltd	-	-	-	0.05	-
Francis Diamonds	4.25	3.62	1.02	7.64	5.89
Geomento Trading (Dawn Kokken)	0.47	0.22	-	0.12	-
HD Diamonds	0.25	0.28	-	0.11	-
Joyalukkas Lifestyle Developers Pvt Ltd.	-	-	-	0.02	0.13
Masaaki Developers Pvt Ltd	-	-	0.02	-	-
Vaiga Properties Pvt Ltd	0.01	-	-	-	-
Joyalukkas Retail Private Limited, India	0.29	-	-	0.54	1.12
P.D Jose	-	0.19	-	0.17	0.19
A Babu	-	-	-	0.09	0.64
Geetha G Nair	-	0.08	-	-	-
Baby George	-	0.14	-	0.14	0.14
P D Francis	-	0.11	-	0.13	0.16
Elsa Joy	-	0.36	0.34	0.05	-
Alukkas Varghese Joy	17.21	93.80	6.92	53.27	53.35

Note 1: Details of guarantees issued by related parties - Refer Note 13

Note 2: Transaction with related parties are disclosed inclusive of Goods and Service taxes.

*Excludes provision for compensated absences and gratuity, as actuarial valuation is done on total company basis.

35 Segmental reporting

The Chief Operating Decision Maker (CODM) of the Company examines the performance from the perspective of the Company as a whole viz. 'jewellery business' consisting of manufacturing and selling of jewellery and hence there are no separate reportable segments as per Ind AS 108. 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

36 Operating leases

(i) The Company has taken operating leases for non-cancellable periods ranging from 12 months to 108 months. The leases are renewable by mutual consent. The Company does not have an option to purchase the leased asset at the expiry of the lease periods.

(ii) Amount recognised in balance sheet

Particulars	Note	As at 30 September 2021	As at 30 September 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Right-of-use assets - Building	4 C	5,156.96	5,626.40	5,384.62	5,927.36	5,290.96
Lease liabilities						
Non-current	14	5,560.92	5,750.36	5,639.31	5,863.01	5,161.06
Current	14	286.60	218.10	266.70	225.37	195.28

(iii) Changes in the Lease liabilities

Particulars	Note	As at 30 September 2021	As at 30 September 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Category of Right-of-use assets - Building						
Opening Balance		5,906.01	6,088.38	6,088.38	5,356.34	-
Recognition of on account of transition to Ind AS 116		-	-	-	-	4,858.70
Restatement adjustment		-	-	-	60.83	-
Additions		76.12	28.72	76.62	865.70	1,137.37
Interest	26	276.38	245.08	527.68	563.19	463.91
Deletions		(0.51)	-	-	-	(487.51)
Rent Concessions	21(i)	(111.22)	(154.10)	(245.12)	-	-
Lease payments		(299.26)	(239.62)	(541.55)	(757.68)	(616.13)
Closing Balance		5,847.52	5,968.46	5,906.01	6,088.38	5,356.34

(iv) Amounts recognised in the statement of profit and loss

Particulars	Note	As at 30 September 2021	As at 30 September 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Depreciation and amortisation expense	27	305.46	325.15	617.61	591.98	481.06
Interest expense (included in finance cost)	26	276.38	245.08	527.68	563.19	463.91
Expense relating to short-term leases	28	16.01	15.03	19.70	52.66	156.41
Expense relating to short-term leases included in employee benefit expense	25	5.94	1.91	9.94	14.30	170.44

Short-term leases has been accounted for applying Paragraph 6 of Ind AS 116- Leases and accordingly recognised as expense in the statement of profit and loss.

(v) The impact on the statement of profit and loss is as below:

Particulars	As at 30 September 2021	As at 30 September 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Rent is lower by	245.98	197.07	440.22	614.70	511.49
Employee benefit expense is lower by	53.27	40.69	93.41	142.98	38.37
Depreciation is higher by	(305.46)	(325.15)	(617.61)	(591.98)	(481.06)
Finance cost is higher by	(276.38)	(245.08)	(527.68)	(563.18)	(463.91)
Other income higher by	111.22	154.10	245.12	-	-
Net profit before tax is lower by	(171.37)	(178.37)	(366.54)	(397.48)	(395.11)

(vi) The total of future minimum lease payments in respect of premises taken on lease under non-cancellable operating leases are as follows:

Particulars	As at 30 September 2021	As at 30 September 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Payable in less than one year	286.60	218.10	266.70	225.37	195.28
Payable between one to five years	1,317.28	1,171.09	1,455.65	1,130.08	1,423.69
Payable after more than five years	4,243.64	4,579.27	4,183.66	4,732.93	3,737.37

(vii) Amounts recognised in statement of Cash Flows

Particulars	As at 30 September 2021	As at 30 September 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Total Cash outflow for leases	(299.26)	(239.62)	(541.55)	(757.68)	(616.13)

37 Reconciliation of audited equity and restated equity:

(i) Statement of adjustments to Audited Ind AS Financial Statements

Summarized below are the restatement adjustments made to the Ind AS financial statements and their impact on the Restated Statement of Profit and Loss

Particulars	For the half year ended 30 September 2021	For the half year ended 30 September 2020	For the Year-Ended March 31, 2021	For the Year-Ended March 31, 2020	For the Year-Ended March 31, 2019
Net profit after tax as per audited financial statements	2,689.45	2,486.11	4,717.54	407.05	1,355.20
Restatement Adjustments					
On account of Ind AS 116 Adjustments (Refer note (i) below):					
Reversal of rent expenses recognised under Other expenses	-	-	-	-	641.14
Finance cost (interest) on lease liability	-	-	-	-	(463.91)
Depreciation on Right-of-use assets	-	-	-	-	(481.06)
Tax impact on the above	-	-	-	-	106.19
Total Restated profit for the half year / year	2,689.45	2,486.11	4,717.54	407.05	1,157.56

Particulars	As at 31 March, 2019					
	Equity Share Capital	Reserves & Surplus			Other comprehensive income	Total Equity
		Retained Earnings	Capital reserve	General reserve	Remeasurements of the net defined benefit liability	
Equity as per audited financial statements	700.34	11,006.07	1.37	169.21	(1.26)	11,875.73
Cumulative impact on account of adoption of Ind AS 116 (net of deferred tax) (Refer note (i) below)	-	197.64	-	-	-	197.64
Total equity, as restated	700.34	11,203.71	1.37	169.21	(1.26)	12,073.37

Particulars	As at 31 March, 2020					
	Equity Share Capital	Reserves & Surplus			Other comprehensive income	Total Equity
		Retained Earnings	Capital reserve	General reserve	Remeasurements of the net defined benefit liability	
Equity as per audited financial statements	700.34	11,610.76	1.37	169.21	(3.16)	12,478.52
Cumulative impact on account of adoption of Ind AS 116 (net of deferred tax) (Refer note (i) below)	-	-	-	-	-	-
Total equity, as restated	700.34	11,610.76	1.37	169.21	(3.16)	12,478.52

Particulars	As at 31 March, 2021					
	Equity Share Capital	Reserves & Surplus			Other comprehensive income	Total Equity
		Retained Earnings	Capital reserve	General reserve	Remeasurements of the net defined benefit liability	
Equity as per audited financial statements	700.34	16,328.30	1.37	169.21	8.28	17,207.50
Cumulative impact on account of adoption of Ind AS 116 (net of deferred tax) (Refer note (i) below)	-	-	-	-	-	-
Total equity, as restated	700.34	16,328.30	1.37	169.21	8.28	17,207.50

Particulars	As at September 30, 2020					
	Equity Share Capital	Reserves & Surplus			Other comprehensive income	Total Equity
		Retained Earnings	Capital reserve	General reserve	Remeasurements of the net defined benefit liability	
Equity as per audited financial statements	700.34	14,096.87	1.37	169.21	1.58	14,969.37
Cumulative impact on account of adoption of Ind AS 116 (net of deferred tax) (Refer note (i) below)	-	-	-	-	-	-
Total equity, as restated	700.34	14,096.87	1.37	169.21	1.58	14,969.37

Particulars	As at September 30, 2021					
	Equity Share Capital	Reserves & Surplus			Other comprehensive income	Total Equity
		Retained Earnings	Capital reserve	General reserve	Remeasurements of the net defined benefit liability	
Equity as per audited financial statements	700.34	19,017.75	1.37	169.21	(21.32)	19,867.35
Cumulative impact on account of adoption of Ind AS 116 (net of deferred tax) (Refer note (i) below)	-	-	-	-	-	-
Total equity, as restated	700.34	19,017.75	1.37	169.21	(21.32)	19,867.35

Note (i)

Adjustments on account of adoption of IndAS 116

Ind AS 116 - "Leases", which is mandatory w.e.f April 01, 2019, has replaced existing Ind AS 17 - "Leases". The Group has applied the modified retrospective approach on transition w.e.f April 01, 2019.

However for the restatement purpose, modified retrospective approach has been applied w.e.f April 1, 2018. The effect of implementing the standard is as under :

- Right of use (ROU) asset recognised on April 01, 2018
- Lease liability recognised on April 01, 2018
- Other expenses are lower in March 31, 2019 by Rs. 601.11 million
- Depreciation and amortisation expenses are higher in March 31, 2019 by Rs. 443.22 million
- Finance costs are higher in March 31, 2019 by Rs. 459.73 million.

As required by the Guidance Note, an adjustment of Rs. 196.75 million has been recorded in retained earnings on April 01, 2019 with a corresponding impact in Right-of-use assets to reflect and carry forward the opening balance in these line items as per the Audited Consolidated financial statements for year-ended March 31, 2020

(ii) **Non-adjusting items**

1 **Emphasis of matter in the Auditor's report which do not require any adjustments in the restated financial information are as follows:**

Financial Year 2018-19: Not Applicable

Financial Year 2019-20

a) Income voluntarily offered for the assessment years from 2009-2010 to 2018-2019 consequent to search proceedings under section 132 of the Income Tax Act 1961. The company has made provision for taxation including interest in above respect in the earlier years. As stated, in the note any additional income tax, interest liability and other charges cannot be determined until the proceedings are complete.

b) Management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the year ended March 31, 2021 and has concluded that there is no impact which is required to be recognized in the financial statements. Accordingly, no adjustments have been made to the financial statements.

Financial Year 2020-21

a) Income voluntarily offered for the assessment years from 2009-2010 to 2018-2019 consequent to search proceedings under section 132 of the Income Tax Act 1961. The company has made provision for taxation including interest in above respect in the earlier years. As stated, in the note any additional income tax, interest liability and other charges cannot be determined until the proceedings are complete.

b) Management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the year ended March 31, 2021 and has concluded that there is no impact which is required to be recognized in the financial statements. Accordingly, no adjustments have been made to the financial statements.

Half year ended September 20, 2021

a) Income voluntarily offered for the assessment years from 2009-2010 to 2018-2019 consequent to search proceedings under section 132 of the Income Tax Act 1961. The company has made provision for taxation including interest in respect of above in the earlier years. As stated, in the note any additional income tax, interest liability and other charges cannot be determined until the proceedings are complete.

Half year ended September 20, 2021

a) Income voluntarily offered for the assessment years from 2009-2010 to 2018-2019 consequent to search proceedings under section 132 of the Income Tax Act 1961. The company has made provision for taxation including interest in respect of above in the earlier years. As stated, in the note any additional income tax, interest liability and other charges cannot be determined until the proceedings are complete.

In the audited financial statements of the Company for the years ended 31 March, 2021, 31 March, 2020 and 31 March, 2019, auditors were required to comment upon the matters included in the Companies (Auditor's Report) Order, 2016 ("the CARO 2016 Order") issued by the Central Government of India under sub-section (11) of Section 143 of Companies Act, 2013. Restated Financial Information does not contain any qualifications requiring adjustments. However certain qualifications/comments included in the CARO in the audited financial statements, which do not require any corrective adjustments in the Restated Financial Information are reproduced below:

Statutory dues which have not been deposited on account of any disputes, as reported in clause vii(b) of Annexure B to the Independent Auditor's report are as follows

(a) Financial Year 2018-19

Name of the statute/Nature of Dues	Period to which the amount relates	Forum where dispute is pending	Amount (Rs in Millions)
Finance Act, 1994 Service tax demand	2006-07	The Customs, Excise and Service Tax Appellate Tribunal, Bangalore	1.94
Customs Act, 1962 Customs duty demand	2016-17	The Customs, Excise and Service Tax Appellate Tribunal, Bangalore	1.10
Customs Act, 1962 Customs duty demand	2018-19	The Customs, Excise and Service Tax Appellate Tribunal, Bangalore	1.10
Tamil Nadu VAT Act, 2006 VAT demand	2006-07	High Court of Madras	2.28
Tamil Nadu VAT Act, 2006 VAT demand	2010-11	Appellate Deputy Commissioner, Tamil Nadu	20.81
Tamil Nadu VAT Act, 2006 VAT demand	2011-12	Appellate Deputy Commissioner, Tamil Nadu	27.40
Tamil Nadu VAT Act, 2006 VAT demand	2011-12	Appellate Deputy Commissioner, Tamil Nadu	1.91
Tamil Nadu VAT Act, 2006 VAT demand	2012-13	Appellate Deputy Commissioner, Tamil Nadu	18.31
Tamil Nadu VAT Act, 2006 VAT demand	2013-14	Appellate Deputy Commissioner, Tamil Nadu	2.87
Tamil Nadu VAT Act, 2006 VAT demand	2015-16	Appellate Deputy Commissioner, Tamil Nadu	0.19
The Puducherry VAT Act, 2007 VAT demand	2008-09	Appellate Deputy Commissioner, Puducherry	0.14
The Puducherry VAT Act, 2007 VAT demand	2009-10	Appellate Deputy Commissioner, Puducherry	0.77
Kerala Value Added Tax Act, 2003 VAT demand (OR Notice)	2011-12	Sales Tax Appellate Tribunal, Ernakulam	2.76
Kerala Value Added Tax Act, 2003 VAT demand	2013-14	Sales Tax Appellate Tribunal, Ernakulam	3.05
West Bengal Tax on Entry of Goods into Local Areas Act, 2012 Entry tax demand	2013-14	High Court of Calcutta	0.10
Income Tax Act, 1961 Income tax demand	AY 2006-07	Commissioner of Income Tax (Appeals) - II, Kochi	7.63
Income Tax Act, 1961 Income tax demand	AY 2007-08	Supreme Court of India	21.84
Income Tax Act, 1961 Income tax demand	AY 2010-11	Income tax appellate tribunal, Cochin	29.13
Income Tax Act, 1961 Income tax demand	AY 2011-12	Income tax appellate tribunal, Cochin	60.79
Income Tax Act, 1961 Income tax demand	AY 2012-13	Income tax appellate tribunal, Cochin	14.38

(b) Financial Year 2019-20

Name of the statute/Nature of Dues	Period to which the amount relates	Forum where dispute is pending	Amount (Rs in Millions)
Finance Act, 1994 Service tax demand	2006-07	The Customs, Excise and Service Tax Appellate Tribunal, Bangalore	1.94
Customs Act, 1962 Customs duty demand	2016-17	The Customs, Excise and Service Tax Appellate Tribunal, Bangalore	1.10
Customs Act, 1962 Customs duty demand	2018-19	The Customs, Excise and Service Tax Appellate Tribunal, Bangalore	1.10
Tamil Nadu VAT Act, 2006 VAT demand	2006-07	High Court of Madras	2.28
Tamil Nadu VAT Act, 2006 VAT demand	2010-11	Appellate Deputy Commissioner, Tamil Nadu	20.81
Tamil Nadu VAT Act, 2006 VAT demand	2011-12	Appellate Deputy Commissioner, Tamil Nadu	27.40
Tamil Nadu VAT Act, 2006 VAT demand	2011-12	Appellate Deputy Commissioner, Tamil Nadu	1.91
Tamil Nadu VAT Act, 2006 VAT demand	2012-13	Appellate Deputy Commissioner, Tamil Nadu	18.31
Tamil Nadu VAT Act, 2006 VAT demand	2013-14	Appellate Deputy Commissioner, Tamil Nadu	2.87
The Puducherry VAT Act, 2007 VAT demand	2008-09	Appellate Deputy Commissioner, Puducherry	0.14
The Puducherry VAT Act, 2007 VAT demand	2009-10	Appellate Deputy Commissioner, Puducherry	0.77
Kerala Value Added Tax Act, 2003 VAT demand (OR Notice)	2011-12	Sales Tax Appellate Tribunal, Ernakulam	2.76
Kerala Value Added Tax Act, 2003 VAT demand	2013-14	Sales Tax Appellate Tribunal, Ernakulam	3.05
West Bengal Tax on Entry of Goods into Local Areas Act, 2012 Entry tax demand	2013-14	High Court of Calcutta	0.10
Income Tax Act, 1961 Income tax demand	AY 2010-11	Income tax appellate tribunal, Cochin	29.13
Income Tax Act, 1961 Income tax demand	AY 2011-12	Income tax appellate tribunal, Cochin	60.79
Income Tax Act, 1961 Income tax demand	AY 2012-13	Income tax appellate tribunal, Cochin	14.38

(c) Financial Year 2020-21

Name of the statute/Nature of Dues	Period to which the amount relates	Forum where dispute is pending	Amount (Rs in Millions)
Finance Act, 1994 Service tax demand	2006-07	The Customs, Excise and Service Tax Appellate Trib	1.94
Customs Act, 1962 Customs duty demand	2016-17	The Customs, Excise and Service Tax Appellate Trib	1.10
Customs Act, 1962 Customs duty demand	2018-19	The Customs, Excise and Service Tax Appellate Trib	1.10
Tamil Nadu VAT Act, 2006 VAT demand	2006-07	High Court of Madras	2.28
Tamil Nadu VAT Act, 2006 VAT demand	2010-11	Appellate Deputy Commissioner, Tamil Nadu	7.20
Tamil Nadu VAT Act, 2006 VAT demand	2011-12	Appellate Deputy Commissioner, Tamil Nadu	7.40
Tamil Nadu VAT Act, 2006 VAT demand	2012-13	Appellate Deputy Commissioner, Tamil Nadu	6.09
Tamil Nadu VAT Act, 2006 VAT demand	2013-14	Appellate Deputy Commissioner, Tamil Nadu	1.43
The Puducherry VAT Act, 2007 VAT demand	2008-09	Appellate Deputy Commissioner, Puducherry	0.14
The Puducherry VAT Act, 2007 VAT demand	2009-10	Appellate Deputy Commissioner, Puducherry	0.77
Kerala Value Added Tax Act, 2003 VAT demand	2010-11	High Court of Kerala	14.08
Kerala Value Added Tax Act, 2003 VAT demand	2011-12	High Court of Kerala	13.94
Kerala Value Added Tax Act, 2003 VAT demand (OR Notice)	2011-12	Sales Tax Appellate Tribunal, Ernakulam	2.76
Kerala Value Added Tax Act, 2003 VAT demand	2013-14	Sales Tax Appellate Tribunal, Ernakulam	3.05
Kerala Value Added Tax Act, 2003 VAT demand	2013-14	Appellate Deputy Commissioner, Ernakulam	8.03
Kerala Value Added Tax Act, 2003	2011-18	Office of Deputy Commissioner, Ernakulam	1,131.47
West Bengal Tax on Entry of Goods into Local Areas Act, 2012 Entry tax demand	2013-14	High Court of Calcutta	0.10
Income Tax Act, 1961 Income tax demand	AY 2010-11	Income Tax Settlement Commission, Chennai	29.13
Income Tax Act, 1961 Income tax demand	AY 2011-12	Income Tax Settlement Commission, Chennai	60.79
Income Tax Act, 1961 Income tax demand	AY 2012-13	Income Tax Settlement Commission, Chennai	14.38

38 Ratios as per the Schedule III requirements

Particulars	30 September, 2021	30 September, 2020	31 March, 2021	31 March, 2020	31 March, 2019	% change from 31 March, 2021 to 30 September, 2021	% change from 31 March, 2020 to 30 September, 2020	Explanation	% change from 31 March, 2020 to 31 March, 2021	Explanation	% change from 31 March, 2019 to 31 March, 2020	Explanation
Current ratio	1.64	1.63	1.63	1.41	1.47	0.51%	15.37%		16%		-4.10%	
Debt- Equity Ratio	0.77	1.02	0.84	1.22	1.04	-8.75%	-16.39%		-31%	Note 1	17.15%	
Debt Service Coverage ratio	0.33	0.32	0.65	0.43	0.48	Not applicable*	Not applicable*		53%	Note 1	-10.30%	
Return on Equity ratio	0.14	0.17	0.27	0.03	0.10	Not applicable*	Not applicable*		740%	Note 2	-66.64%	Note 2
Inventory Turnover ratio	0.95	0.41	1.97	2.30	2.49	Not applicable*	Not applicable*		-14%		-7.66%	
Trade Receivable Turnover Ratio	0.14	1.02	4.31	7.35	4.65	Not applicable*	Not applicable*		-41.35%	Note 3	57.92%	Note 3
Trade Payable Turnover Ratio	3.66	1.86	6.03	7.33	11.63	Not applicable*	Not applicable*		-17.71%		-37.02%	Note 4
Net Capital Turnover Ratio	2.02	1.40	4.69	6.43	6.81	Not applicable*	Not applicable*		-27%	Note 1	-5.63%	
Net Profit ratio	8.97%	15.90%	7.90%	4.34%	4.04%	13.65%	266.71%	Note 2	82.14%	Note 1 & 2	7.28%	
Return on Capital Employed	17.32%	19.92%	35.45%	36.15%	30.37%	Not applicable*	Not applicable*		-2%		19.03%	

* Considered not applicable since the constituting amounts for the half year ended September 30, 2021 and September 30, 2020 are not annualised.

Note 1: The Company had achieved higher profit in financial year 2020-21 due to increase in gold selling rate. Due to this, closing retained earnings is also increased drastically as compared to opening balance

Note 2: For the year ended March 31, 2020, the Company had paid taxes of Rs. 1,919.86 million and interest on tax of Rs. 1408.91 million relating to prior years (refer note 30 (ii) & (iii)) and as a result the profit after tax is not comparable with other periods.

Note 3: Trade receivable balance as on March 31, 2021 and March 31, 2019 represents the major credit sales happened in the last month of the financial year. Compared to financial year 2020-21 and 2018-19, the credit sales in the last month of financial year 2019-20 was very less.

Note 4: During the financial year 2018-19, the Company was sourcing raw material in the form of bullion purchase, which was funded by metal loan from banks which are grouped under borrowings. This has been substantially reduced from financial year 2019-20 where company was buying finished goods from suppliers and is grouped under trade payables .

Elements of Ratio

Ratios	Numerator	Denominator	September 30, 2021		September 30, 2020		March 31, 2021		March 31, 2020		March 31, 2019	
			Numerator	Denominator	Numerator	Denominator	Numerator	Denominator	Numerator	Denominator	Numerator	Denominator
Current ratio	Current assets	Current liabilities	45,970.08	28,021.74	34,778.93	21,399.64	40,222.55	24,643.30	35,809.22	25,419.38	30,603.54	20,833.33
Debt- equity ratio	Debt (Borrowing)	Total equity	15,285.18	19,867.35	15,268.79	14,969.37	14,507.53	17,207.50	15,223.20	12,478.52	12,367.41	11,875.73
Debt service coverage ratio	Earnings before interest, depreciation and taxes (Profit Before Tax+ Finance cost+ Depreciation)	Debt (Borrowing)	4,984.44	15,285.18	4,954.93	15,268.79	9,462.51	14,507.53	6,488.56	15,223.20	5,876.76	12,367.41
Return on equity/investment	Net profit after tax	Total equity	2,689.45	19,867.35	2,486.11	14,969.37	4,717.54	17,207.50	407.05	12,478.52	1,161.38	11,875.73
Inventory turnover ratio	Cost of material consumed	Inventory (average)	39,498.53	41,409.91	13,940.84	33,768.03	72,021.97	36,637.50	72,895.18	31,735.81	71,910.84	28,908.08
Trade receivable turnover ratio	Credit sales	Trade receivable	23.87	174.61	8.44	8.27	518.74	120.33	444.91	60.53	1,131.82	243.16
Trade payable turnover ratio	Credit purchase	Trade payable	24,541.71	6,707.76	4,760.65	2,553.06	40,291.84	6,684.23	39,229.54	5,355.42	37,074.60	3,187.80
Net capital turnover ratio	Revenue from operations	Total equity	40,122.61	19,867.35	20,887.73	14,969.37	80,662.93	17,207.50	80,237.88	12,478.52	80,918.42	11,875.73
Net profit ratio	Profit before tax for the half year /year	Revenue from operations	3,600.51	40,122.61	3,320.70	20,887.73	6,369.24	80,662.93	3,478.50	80,237.88	3,269.98	80,918.42
Return on capital employed	Earnings before interest and taxes (Profit Before Tax+ Finance cost)	Total assets - current liabilities	4,447.54	25,678.73	4,290.71	21,540.29	8,267.82	23,321.45	6,877.90	19,024.53	5,335.91	17,568.50

Numerators and denominators of September 30, 2021 and September 30, 2020 are not annualised.

Joyalukkas India Limited (Formerly known as Joyalukkas India Private Limited)**Notes to Restated financial information (continued)**

(All amounts in Indian rupees millions, except where otherwise stated)

39 Capital management

The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Company. Management monitors capital on the basis of return on capital employed as well as the debt to total equity ratio. The funding requirements are primarily met through equity and operating cash flows generated. The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to all its shareholders. The Company is not subject to any externally imposed capital requirements.

The capital structure is as follows

Particulars	As at 30 September 2021	As at 30 September 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Total equity attributable to the equity shareholders of the Company	19,867.35	14,969.37	17,207.50	12,478.52	11,875.73
As a percentage of total capital	57%	50%	54%	45%	49%
Long-term borrowings	824.26	1,485.93	1,161.39	1,060.78	755.98
Short-term borrowings	14,460.92	13,782.86	13,346.14	14,162.42	11,611.43
Total borrowings	15,285.18	15,268.79	14,507.53	15,223.20	12,367.41
As a percentage of total capital	43%	50%	46%	55%	51%
Total capital (equity and borrowings)	35,152.53	30,238.16	31,715.03	27,701.72	24,243.14

40 Note on Social Security Code 2020

The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued.

The Company will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

41 Impact of COVID-19 (Global health pandemic):

During the year ended 31 March 2021, 31 March 2020 and half year ended September 30,2020 and September 30,2021 the outbreak of COVID-19 in many countries has brought about disruptions to businesses around the world, uncertainty to the global economy and has caused disruption to regular business operations of the company. Measures taken by the Government to contain the virus, like lockdowns, travel bans and other measures, have affected economic activity. The management has evaluated the possible impact that may result from the pandemic relating to COVID-19 on the financial statements, using the available internal and external sources of information. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

42 Events after the reporting period

Pursuant to a resolution of Board of Directors dated October 18, 2021 after shareholders' approval in the AGM dated September 27, 2021, the Company has issued 10 (ten) bonus shares of face value 10 (Rupees Ten) each for every 1 (One) existing fully paid-up equity share of face value 10 (Rupees Ten) each and accordingly 70,03,42,000 bonus shares were issued and allotted on October 18, 2021.

43 Appropriate regroupings have been made in the Restated Statement of Assets and Liabilities, Restated Statement of Profit & Loss and Restated Statement of Cashflows, wherever required, by reclassification of the corresponding items of income, expenses, assets, liabilities and cashflows, in order to bring them in line with the accounting policies and classification as per Ind AS financial information of the Company for the half year ended September 30, 2021 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.

**For and on behalf of the Board of Directors of
Joyalukkas India Limited (Formerly known as Joyalukkas India Private Limited)**
CIN: U51398KL2002PLC015372

Alukkas Varghese Joy
Managing Director
DIN:00313967

John Paul Joy Alukkas
Director
DIN: 00314046

Geetha G Nair
Company Secretary
Membership No: A22202

Tom Jose
Chief Financial Officer

Baby George
Chief Executive Officer

OTHER FINANCIAL INFORMATION

The accounting ratios required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below:

(₹ in million other than percentages and per share values)

Particulars	As at and for the six months ended September 30, 2021	As at and for the six months ended September 30, 2020	As at and for the year ended March 31, 2021	As at and for the year ended March 31, 2020	As at and for the year ended March 31, 2019
Restated profit for the year/ period (A)	2,689.45	2,486.11	4,717.54	407.05	1,161.38
Weighted average number of equity shares in calculating basic EPS (B)	770.38	770.38	770.38	770.38	770.38
Weighted average number of equity shares in calculating diluted EPS (C)	770.38	770.38	770.38	770.38	770.38
Basic Earnings per share (in ₹) (D = A/B) *	3.49	3.23	6.12	0.53	1.51
Diluted Earnings per share (in ₹) (E = A/C) *	3.49	3.23	6.12	0.53	1.51
Total equity (A)	19,867.35	14,969.37	17,207.50	12,478.52	11,875.73
Restated Profit for the year/ period (B) (in ₹ million)	2,689.45	2,486.11	4,717.54	407.05	1,161.38
Return on net worth (C = B/A)	13.54%	16.61%	27.42%	3.26%	9.77%
Total Equity (A)	19,867.35	14,969.37	17,207.50	12,478.62	11,875.73
Weighted average number of equity shares in calculating Net Asset Value	770.38	770.38	770.38	770.38	770.38
Weighted average number of equity shares in calculating Net Asset Value	770.38	770.38	770.38	770.38	770.38
Net Asset Value per Equity Share (basic)(D = A/B) (in ₹)*	25.79	19.43	22.34	16.20	15.42
Net Asset Value per Equity Share (diluted) (E = A/C) (in ₹)*	25.79	19.43	22.34	16.20	15.42
EBITDA	4,984.44	4,954.93	9,462.51	6,488.56	5,876.76
EBITDA Margin (%)	12.42	23.72	11.73	8.09	7.26

*Numbers for the six months ended September 30, 2021 and September 30, 2020 have not been annualized.

The ratios have been computed as under:

- (i) *Basic and diluted earnings/(loss) per equity share: Basic and diluted earnings/(loss) per equity share are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended). Basic earnings per share is calculated as restated profit for the year/period attributable to equity shareholders divided by weighted average number of equity shares in calculating basic EPS. Diluted earnings per share is calculated as restated profit for the year/period attributable to equity shareholders divided by weighted average number of diluted equity shares in calculating diluted EPS.*
- (ii) *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.*
- (iii) *Return on Net Worth ratio: Restated profit for the year/period attributable to equity shareholders of the company divided by the Total Equity of the Company at the end of the year/period.*
- (iv) *EBITDA is calculated as restated profit before tax, plus depreciation, amortization and impairment expenses and finance costs less interest on income tax, while EBITDA margin is the percentage of EBITDA divided by revenue from operations.*
- (v) *Net worth = Net Worth as defined under Regulation 2(1)(hh) of the SEBI ICDR Regulations, i.e., the aggregate value of the paid-up share capital and all reserves 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 as per the restated balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.*
- (vi) *Net asset value per Equity Share represents total equity attributable to the equity shareholders of our Company as at the end of the fiscal year/ period, as restated, divided by the number of Equity Shares outstanding at the end of the year/ period, after considering the impact of bonus issue effected during the half year ended September 30, 2021.*

The above ratios have been computed on the basis of the Restated Financial Information.

Non-GAAP financial measures

This section includes certain Non-GAAP financial measures relating to our financial performance (together, “Non-GAAP financial measures” and each a “**Non-GAAP financial measure**”), as presented below. These Non-GAAP financial measures are not required by or presented in accordance with Indian GAAP.

Reconciliation of non-GAAP measures

Reconciliation for the following non-GAAP financial measures included in this Draft Red Herring Prospectus, EBITDA, net debt/ (net cash), return on net worth, return on capital employed, net asset value per share and debt equity ratio are given below:

Reconciliation of EBITDA

(₹ in million)

Particulars	As at and for the six months ended September 30, 2021*	As at and for the six months ended September 30, 2020*	As at and for the year ended March 31, 2021	As at and for the year ended March 31, 2020	As at and for the year ended March 31, 2019
Restated profit for the year (I)	2,689.45	2,486.11	4,717.54	407.05	1,161.38
Total tax expense (II)	911.06	834.59	1,651.70	3,071.45	2,108.60
Depreciation expense (III)	541.29	670.32	1252.28	1019.57	848.77
Finance expense less interest on income tax (IV)	842.64	963.91	1,840.99	1,990.49	1,758.02
EBITDA (I+II+III+IV)	4,984.44	4,954.93	9,462.51	6,488.56	5,876.76

*Non-annualised

Reconciliation of Net debt/ (net cash)

(₹ in million)

Particulars	As at and for the six months ended September 30, 2021*	As at and for the six months ended September 30, 2020*	As at and for the year ended March 31, 2021	As at and for the year ended March 31, 2020	As at and for the year ended March 31, 2019
Non-current borrowings (I)	250.46	820.56	474.64	683.01	531.71
Current borrowings (II)	15,034.72	14,448.23	14,032.89	14,540.19	11,835.70
Total borrowings III = (I+II)	15,285.18	15,268.79	14,507.53	15,223.20	12,367.41
Cash and cash equivalents (IV)	690.99	888.24	757.88	412.05	554.84
Bank balances other than cash and cash equivalents (V)	253.72	69.64	278.68	157.25	112.86
Net Debt / (Net Cash) (VI=III-IV-V)	14,340.47	14,310.91	13,470.97	14,653.90	11,699.71

*Non-annualised

Reconciliation of return on net worth

(₹ in million)

Particulars	As at and for the six months ended September 30, 2021*	As at and for the six months ended September 30, 2020*	As at and for the year ended March 31, 2021	As at and for the year ended March 31, 2020	As at and for the year ended March 31, 2019
Equity share capital (I)	700.34	700.34	700.34	700.34	700.34
Other equity (II)	19,167.01	14,269.03	16,507.16	11,778.18	11,175.39
Net worth (III)=(I+II)	19,867.35	14,969.37	17,207.50	12,478.52	11,875.73
Restated profit for the year (IV)	2,689.45	2,486.11	4,717.54	407.05	1,161.38
Return on net worth (IV/(I+II))	0.14	0.17	0.27	0.03	0.10

*Non-annualised

Reconciliation of return on capital employed

(₹ in million)

Particulars	As at and for the six months ended September 30, 2021*	As at and for the six months ended September 30, 2020*	As at and for the year ended March 31, 2021	As at and for the year ended March 31, 2020	As at and for the year ended March 31, 2019
Total assets (I)	53,700.47	42,939.93	47,964.75	44,443.92	38,401.83
Current liabilities (II)	28,021.74	21,399.64	24,643.30	25,419.38	20,833.33
Capital employed (III=I-II)	25,678.73	21,540.29	23,321.45	19,024.54	17,568.50
Restated profit before interest and tax for the year (IV)	4,447.54	4,290.71	8,267.82	6,877.90	5,335.91
Return on capital employed (V=IV/III)	17.32%	19.92%	35.45%	36.15%	30.37%

*Non-annualised

Reconciliation of net asset value per share

(₹ in million)

Particulars	As at and for the six months ended September 30, 2021*	As at and for the six months ended September 30, 2020*	As at and for the year ended March 31, 2021	As at and for the year ended March 31, 2020	As at and for the year ended March 31, 2019
Equity share capital (I)	700.34	700.34	700.34	700.34	700.34
Other equity (II)	19,167.01	14,269.03	16,507.16	11,778.18	11,175.39
Net worth (III)=(I+II)	19,867.35	14,969.37	17,207.50	12,478.52	11,875.73
Number of Equity Shares (IV)**	770.38	770.38	770.38	770.38	770.38
Net asset value per share (V= (I+II)/IV)	25.79	19.43	22.34	16.20	15.42

*Non-annualised

** Net asset value per Equity Share represents total equity attributable to the equity shareholders of our Company as at the end of the fiscal year/ period, as restated, divided by the number of Equity Shares outstanding at the end of the year/ period, after considering the impact of bonus issue effected during the half year ended September 30, 2021.

Reconciliation of debt equity ratio

(₹ in million)

Particulars	As at and for the six months ended September 30, 2021*	As at and for the six months ended September 30, 2020*	As at and for the year ended March 31, 2021	As at and for the year ended March 31, 2020	As at and for the year ended March 31, 2019
Non-current borrowings (I)	250.46	820.56	474.64	683.01	531.71
Current borrowings (II)	15,034.72	14,448.23	14,032.89	14,540.19	11,835.70
Total borrowings III = (I+II)	15,285.18	15,268.79	14,507.53	15,223.20	12,367.41
Equity share capital (IV)	700.34	700.34	700.34	700.34	700.34
Other equity (V)	19,167.01	14,269.03	16,507.16	11,778.18	11,175.39
Equity (VI)=(IV+V)	19,867.35	14,969.37	17,207.50	12,478.52	11,875.73
Debt equity ratio (VII=III/VI)	0.77	1.02	0.84	1.22	1.04

*Non-annualised

In accordance with the SEBI ICDR Regulations the audited financial statements of the Company for the financial year ended March 31, 2021, March 31, 2020 and March 31, 2019 (collectively, the “**Audited Financial Statements**”) are available on our website at www.joyalukkas.in/pages/investor-relations/pgid-1457311.aspx

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 or recommendation or solicitation to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere. The Audited Financial Statements should not be considered as part of information that any investor should consider subscribing for any securities of our Company and should not be relied upon or used as a basis for any investment decision.

None of our Company or any of its advisors, nor BRLMs, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

RELATED PARTY TRANSACTIONS

For details of the related party transactions, as per the requirements under applicable Indian Accounting Standards for Fiscal 2021, 2020 and 2019 and six months ended September 30, 2021 and September 30, 2020 and as reported in the Restated Financial Information, see “*Financial Statements – Note 34*” on page 234.

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 Information on page 182.

This Draft Red Herring Prospectus may include forward-looking statements that involve risks and uncertainties, and our actual financial performance may materially vary from the conditions contemplated in such forward-looking statements as a result of various factors, including those described below and elsewhere in this Draft Red Herring Prospectus. For further information, see "Forward-Looking Statements" on page 18. Also read "Risk Factors" and "- Significant Factors Affecting our Results of Operations and financial condition" on pages 19 and 248, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations.

Unless otherwise indicated or the context otherwise requires, the financial information for Fiscals 2019, 2020 and 2021 and for the six months ended September 30, 2020 and September 30, 2021 included herein is derived from the Restated Financial Information, included in this Draft Red Herring Prospectus, which have been derived from our audited financial statements and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time, which differ in certain material respects from IFRS, U.S. GAAP and GAAP in other countries. For further information, see "Financial Statements" on page 182.

Unless the context otherwise requires, in this section, references to "we", "us", "our", "the Company" or "our Company" refers to Joyalukkas India Limited.

Unless otherwise indicated, industry and market data used in this section has been derived from the report titled "Industry Report on Jewellery Retail in India" dated March 21, 2022 (the "Technopak Report"), prepared and issued by Technopak Advisors Private Limited, which has been appointed on September 30, 2021, pursuant to an engagement letter dated September 30, 2021 and exclusively commissioned by and paid for by us in connection with the Issue. A copy of the Technopak Report will be available on website of our Company at www.joyalukkas.in from the date of the Red Herring Prospectus until the Bid/Issue Closing date. The data included herein includes excerpts from the Technopak Report and may have been re-ordered by us for the purposes of presentation. For more information, see "Risk Factors – Industry information included in this Draft Red Herring Prospectus has been derived from a third party industry report, exclusively commissioned and paid for by us." on page 46. Also see, "Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation – Industry and Market Data" on page 16.

OVERVIEW

We are one of the leading jewellery companies in India in terms of revenue in Fiscal 2021 (Source: Technopak Report). Our jewellery business includes the sale of jewellery made of gold, studded and other jewellery products that include diamond, platinum, silver and other precious stones. Our business was founded by Alukkas Varghese Joy, our Promoter and Managing Director, who has over 33 years of experience in the jewellery industry. We have a presence across multiple regions in India with a focus on southern states.

We commenced operations in 2002 by setting up a showroom in Kottayam, Kerala and over the years have expanded our network of showrooms to various prominent locations. We operate 85 showrooms under the "Joyalukkas" brand located across 68 cities in India with an aggregate area of approximately 344,458 square feet, as of January 31, 2022. Of these 85 showrooms, 6 are large-format showrooms (with an area of 8,000 square feet or more), including our largest showroom at Chennai, Tamil Nadu that has an area of over 13,000 square feet. Our range of over 100,000 jewellery designs, across various price points caters to customers across all market segments. We believe that our large format showrooms provide a luxury experience and customer service, that in combination with the inventory and variety that our showrooms offer enhances our efficiency as they require less managerial staff in proportion to the variety of jewellery products we offer, and enables us to attract and retain a growing customer base that as of January 31, 2022, exceeded over 2.00 million customers in India.

Our product profile includes traditional, contemporary and combination designs across jewellery lines, usages and price points. Our gold, diamond and other jewellery inventory in each showroom reflects regional customer preferences and designs. Our focus on design and innovation, our ability to recognize consumer preferences and market trends, the intricacy of our designs and the quality of our products are our key strengths. In addition, our access to a range of contract manufacturers that are generally smaller, localised jewellery manufacturers from various parts of India allows us to offer a diverse product range. The following table provides a breakdown of our revenue from operations by product category in the relevant periods:

Category	Fiscals			Six months ended September 30,	
	2019	2020	2021	2020	2021

	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)
Gold	63,419.68	78.37%	63,135.95	78.69%	67,947.51	84.24%	18,079.57	86.56%	33,244.23	82.86%
Diamonds	15,938.62	19.70%	15,513.51	19.33%	11,404.45	14.14%	2,467.58	11.81%	6,052.87	15.08%
Others*	1,560.12	1.93%	1,588.42	1.98%	1,310.97	1.62%	340.58	1.63%	825.51	2.06%
TOTAL	80,918.42	100.00%	80,237.88	100.00%	80,662.93	100.00%	20,887.73	100.00%	40,122.61	100.00%

Notes:

* Others includes silver and pearls.

The “Joyalukkas” brand was started from one city in Kottayam and has evolved into a brand with presence in 68 cities in India including all major cities in five states of South India and presence in metros and mini metros in other parts of the country (Source: *Technopak Report*). Our “Joyalukkas” brand has high brand recall through extensive market reach, consistent quality, innovative and customised design, high service level and an evolved marketing strategy (Source: *Technopak Report*). We believe that our focus on quality, customer service, design range, customer-oriented policies and loyalty programs, together with our celebrity endorsements, targeted marketing and arrangements with local artisans to address regional preferences, have enabled us to develop strong brand recognition and customer loyalty. We have currently engaged film actress Kajol as our celebrity brand ambassador. We have received various accolades for our brand that includes being recognized by the Superbrand Council as a “Superbrand” for the year 2015 and the National Retail Chain of the Year award at the 7th GJTCI Excellence Awards by the Gem and Jewellery Trade Council of India in 2019. We generally conduct customer surveys to identify and analyse customer preferences and trends.

Our experience of close to two decades has enabled us to build an effective vertically integrated business model that gives us control over our processes from raw material procurement, design, manufacturing and marketing to sales through our extensive network. Our vertical integration allows us to monitor and control the quality of our products on the supply side, and also provides us the ability to respond quickly to our customers’ needs and preferences on the demand side. All our gold jewellery products are hallmarked by Bureau of Indian Standards (“BIS”) except gold jewellery weighing less than two grams which is not required to be hallmarked and our diamond jewellery is certified by various agencies including “Forevermark”, IGI, GIA and DHC and our internal certifications. We also benefit from operational efficiencies that often translate into more competitive pricing for our products, which benefits our customers as well as attracts more customers, both new and repeat, to buy our products. Our procurement policy, inventory management (each item in our showroom undergoes quality control testing and are individually tagged) and sales processes result in operational efficiencies. The processes and policies that we have implemented enable us to effectively monitor and address our entire operations that link our supply chain and showrooms.

To increase our reach and target customer base and also to stay aligned with our customers’ evolving needs and preferences, we launched our online shopping platform, Joyalukkas Online (www.joyalukkas.in), in 2018 to reach out to a wider customer base and provide them the option of shopping from home. To extend our online presence, we have recently started retailing our list of products on major e-commerce marketplaces. In Fiscals 2019, 2020 and 2021 and in the six months ended September 30, 2020 and September 30, 2021, revenue from our online channel was ₹ 257.53 million, ₹ 342.55 million, ₹ 245.55 million, ₹ 70.36 million and ₹ 119.63 million, and accounted for 0.32%, 0.43%, 0.30%, 0.34% and 0.30%, respectively, of our revenue from operations. We also intend to introduce mobile applications that we are in the process of developing through a partnership with one of the leading mobile application developers to allow customers to browse our selection of products on the go as a further initiative to engage our online customers.

Our Promoter also operates gold jewellery business internationally through certain entities in the promoter group. Our Promoter’s relationships with our suppliers, customers and other industry participants have been instrumental in implementing our growth strategies. Our Promoter continues to remain actively involved in our operations and brings to our Company his vision and leadership which we believe has been instrumental in sustaining our business operations. Over the years, our management team has helped scale our operations and includes professionals with extensive experience in the retail and jewellery industry as well as finance and marketing.

Our large format showrooms allows for better unit economics, contributing to our revenue from operations and EBITDA Margin. We have grown our operations over the years without raising external capital. The following table sets forth certain key performance indicators for the periods indicated:

Particulars	As of and for the years ended March 31,			CAGR (Fiscal 2019 to Fiscal 2021)	As of and for the six months ended September 30,	
	2019	2020	2021		2020	2021
	(₹ million, except percentages)					
Revenue from Operations	80,918.42	80,237.88	80,662.93	(0.16)%	20,887.73	40,122.61
EBITDA ⁽¹⁾	5,876.76	6,488.56	9,462.51	26.89%	4,954.93	4,984.44
EBITDA Margin ⁽²⁾	7.26 %	8.09%	11.73%	27.11%	23.72%	12.42%
PAT for the year/period	1,161.38	407.05	4,717.54	101.54%	2,486.11	2,689.45
PAT Margin ⁽³⁾	1.44%	0.51%	5.85%	101.56%	11.90%	6.70%
ROE ⁽⁴⁾	9.78%	3.26%	27.42%	67.44%	16.61%	13.54%
ROCE ⁽⁵⁾	30.37%	36.15%	35.45%	8.04%	19.92%	17.32%
Net Debt / Equity	1.04	1.22	0.84	(10.13)%	1.02	0.77

Notes:

1. EBITDA is calculated as restated PAT for the year / period, plus total tax expenses, exceptional items, finance costs and depreciation and amortization expenses, less interest on income tax.
2. EBITDA Margin is calculated as EBITDA as a percentage of revenue from operations.
3. PAT Margin is calculated as restated PAT for the year / period as a percentage of revenue from operations.
4. ROE is calculated as restated PAT for the year / period divided by total equity.
5. ROCE is calculated as EBIT divided by capital employed.

PRESENTATION OF FINANCIAL INFORMATION

The restated financial information of the Company comprises the restated statement of assets and liabilities as at March 31, 2019, 2020 and 2021 and as at September 30, 2020 and September 30, 2021, 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, 2019, 2020 and 2021 and for the six months ended September 30, 2020 and September 2021 and the summary statement of significant accounting policies, and other explanatory notes (collectively, the “**Restated Financial Information**”). The Restated Financial Information have been prepared by the management of our Company in terms of the requirements of:

- Section 26 of Part I of Chapter III of the Companies Act, 2013;
- The SEBI ICDR Regulations; and
- The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI), as amended

The Restated Financial Information have been compiled from:

Audited special purpose interim financial statements of our Company as at and for the six months ended September 30, 2021 and September 30, 2020, prepared in accordance with the recognition and measurement principles of Indian Accounting Standard 34 “Interim Financial Reporting” (“**Ind AS 34**”) prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on November 11, 2021; and

Audited Ind AS financial statements of the Company as at and for the years ended March 31, 2019, 2020 and 2021, prepared in accordance with Ind AS as prescribed under Section 133 of the Companies Act, 2013 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 of the Company at their meetings held on July 2, 2021, October 14, 2020 and May 27, 2019, respectively.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Impact of COVID-19

Beginning in March 2020 we experienced a substantial reduction in customer footfalls and store operations due to the nationwide lockdown implemented on March 25, 2020, quarantines, stay-at-home and shelter-in-place orders, the promotion of social distancing, and other restrictions. The impact of the COVID-19 pandemic on our business, operations and financial performance have included and may continue to include significant decline in revenue from operations. We experienced and may continue to be subject to temporary as well as permanent closures and reduced showroom-level operations such as reduced operating hours, as mandated by regulatory authorities. The impact of the ongoing pandemic, particularly the second wave and more communicable strain of the virus that affected India in April 2021, may also result in an adverse impact on our profitability

as our operating expenses, primarily comprising lease rental expenses and employee benefit expenses, are less variable in nature. We also incurred and may continue to incur additional expenses in complying with evolving government regulations, including with respect to social distancing measures and sanitization practices. Also see “*Risk Factors – The current and continuing impact of the ongoing novel coronavirus (“COVID-19”) pandemic on our business and operations has been significant. The impact of the pandemic on our operations in the future, including its effect on the ability or desire of customers to visit our showrooms, is uncertain and may be significant and continue to have an adverse effect on our business prospects, strategies, business, operations, our future financial performance and the price of our Equity Shares.*” on page 20.

In order to manage the adverse impact of COVID-19 on our operations, we have implemented and are in the process of implementing various measures to manage our expenses and liquidity. These measures include rationalization of under-performing stores exacerbated by COVID-19. In addition, we capitalized on this opportunity to renegotiate our rental arrangements under various agreements with mall developers, landlords and lessors during the onset of the COVID-19 pandemic in India. Based on these rent relief negotiations, we arrived at negotiated agreements with respect to reductions in rent and our rental obligations during the COVID-19 crisis with a majority of our landlords. However, there can also be no assurance that we will be able to obtain such waivers or successfully further renegotiate these arrangements in the future. Further, in accordance with MCA Notification dated July 24, 2020 on Ind AS 116 (the “**MCA Notification**”), the Company has elected to apply the practical expedient of not assessing rent concessions as a lease modification for all lease concessions which are granted due to COVID-19 pandemic. As a result, rent concession, shown as an increase in other income, increased to ₹ 245.12 million in Fiscal 2021 from no such income in Fiscal 2020.

To increase revenue generation opportunities during the initial months of COVID-19, we increased our focus on sales through our own online channels and leading e-commerce marketplaces. Through e-commerce marketplaces and our own websites, we have been able to leverage the fixed costs we have invested in integrating our physical showrooms with our online channels, to serve customers seeking delivery of our products.

In the short- to medium-term, we expect that revenues generated at our showrooms as a proportion of our overall revenue from operations may decline while our revenues through online channels as a proportion of our overall revenue from operations may gradually increase. However, the impact of subsequent waves of the virus on our business cannot be ascertained at this time and we cannot currently estimate the duration or future negative impact of the COVID-19 pandemic on our ability to continue expanding our network of stores, or improve same-store sales growth. We are significantly exposed to the public health and economic effects of the COVID-19 pandemic and there can be no assurance that our business will not be adversely affected if the COVID-19 pandemic were to worsen or last for an extended period, or if subsequent waves and more restrictive measures were to be implemented.

Ability to maintain brand image and cater to changing consumer preferences

We derive substantially all of our turnover from sales of jewellery products, which depend on the strength of our ‘Joyalukkas’ brand. We undertake various marketing initiatives to promote our brand image, including engaging in national and regional advertising campaigns on television, radio, newspapers and magazines, online advertisements, partnering with celebrities to serve as brand ambassadors in the specific markets in which we operate. Our marketing initiatives also include advertising through various other media, such as, hoardings and displays, advertisements in cinema hall, bus terminals, railway stations and similar displays. Our advertisements and commercials are tailored to suit peak local buying periods and regional festivals and events. In Fiscals 2019, 2020, 2021 and in the six months ended September 30, 2020 and September 30, 2021, our spend towards our advertising and marketing activities was ₹ 1,374.10 million, ₹ 1,089.26 million, ₹ 511.67 million, ₹ 70.91 million and ₹ 170.02 million, and accounted for 1.70%, 1.36%, 0.63%, 0.34% and 0.42% of our revenue from operations in such periods.

We believe that the strength of our brand is based in part on our history combined with our reputation for providing trusted high quality jewellery with distinctive product designs to a wide range of consumers. We continually develop and promote a wide range of jewellery to suit consumer preferences. For example, we produce both traditional and contemporary designs that cater to the needs of customers at all life stages. Accordingly, a significant part of our success has been and will continue to depend on our ability to maintain our strong brand image and at the same time continue to design and produce a wide range of quality jewellery that meets continually changing consumer preferences. To compete successfully in our business, we must be able to identify and respond to changing consumer demands and preferences. If we fail to anticipate and meet industry trends and our products do not meet customers’ preferences, our results of operations will be adversely affected. In addition, customer demographics and design preferences vary in our different markets across India and internationally, and our market share and results of operations is also dependent on our ability to develop attractive designs catering to various customer preferences. Hence, all our designs may not have comparable demand across all of our regions. As a result, our market share is also determined by our ability to create designs that conform to the significantly different preferences our customers across different regions.

Expansion of our showroom network

Our ability to continue our growth across geographies depends upon the strength of our brand, product offerings and unit economics. Our ability to effectively execute our expansion strategy further depends on our ability to open new showrooms successfully. As of January 31, 2021, we operated 85 showrooms under the “Joyalukkas” brand located across 68 cities in India with an aggregate area of approximately 344,458 square feet

Our showrooms generally need to be in high visibility and high traffic locations. Our ability to effectively obtain quality commercial property to relocate existing showrooms or open new showrooms depends on the availability of commercial property that meets our criteria for customer traffic, square footage, lease economics, demographics and other factors, including our ability to negotiate terms that meet our financial targets. In addition, rising real estate prices may restrict our ability to lease new desirable locations.

Any new showroom that we open requires limited capital expenditure towards improvements, fixtures, IT equipment and electrical fittings, to align the showroom with our preferred format. Given the limited capital expenditure, we typically break-even within a reasonable period of time following commencement of operation. Our ability to reduce our payback periods depends on our ability to negotiate commercially reasonable terms with lessors/ landlords/ mall developers, based on the store format and the location for such format, that is subject to various assumptions on demand for our products from the particular demographic at the location. An inability to appropriately identify suitable locations, or to negotiate commercially reasonable lease terms, may increase our payback periods, result in showroom -closures, and adversely affect our results of operations and financial condition. However, with the experience of setting up stores in various parts of India and, we believe that we are well positioned to leverage on opportunities for expansion.

We are currently present in most parts of the southern region and intend to deepen our penetration in such regions, where there could be potential for further expansion due to the demand of jewellery in the region. Over the next two years, we intend to open eight new showrooms across India with a particular focus on the state of Telangana, Maharashtra, Odisha and Karnataka. We intend to leverage the experience of our operations and expertise in developing the branded jewellery market in India to grow our network in existing and newer geographies. Accordingly, we intend to focus our expansion effects in markets where we determine there is an increasing demand for our products, and where we can leverage our existing presence to expand our market share. More generally, our growth and profitability depend on the level of consumer confidence and spending in India and the other countries where we operate. For further information, see “*Objects of the Issue - Financing the opening of New Showrooms*” on page 81.

Consumer spending and general economic and market conditions

While we are engaged in the business of selling gold, diamond and other jewellery, our success partially depends to a significant extent on customer confidence and spending, which is influenced by general economic condition and discretionary income levels. Many factors affect the level of customer confidence and spending in the retail sector, including recession, inflation, political uncertainty, availability of consumer credit, taxation and unemployment. Our performance may decline during recessionary periods or in other periods where one or more macro-economic factors, or potential macro-economic factors, negatively affect the level of customer confidence and spending.

The Indian jewellery market size is estimated at US\$ 60 billion projected to grow to US\$ 91 billion by 2025. As per estimates, for every 1% growth in per capita income demand for gold increases by 1%. The jewellery sector is set to benefit from long term economic growth as well as positive play of demographic factors including young population, growing urbanization, participation of women in work force, lower dependency ratio and rising income in rural parts of the country. Jewellery sector is also going to benefit as trust increases with transparency in the system. The organised sector employs modern technology across the supply chain to ensure that it is competitive and overall, the benefits are passed to the customer. India has traditionally been a large market for gold. Gold is intertwined as a way of life being deeply rooted in Indian culture. Its purchase is driven by tradition, festivals and other important family and societal occasions. The asset value of gold and high contribution of rural consumption to gold has ensured the prominence of gold jewellery in India. (*Source: Technopak Report*). We intend to capitalize on the growing industry opportunity and leverage our position as among the market leaders in the gold jewellery segment in India (*Source: Technopak Report*), to continue to grow our business.

Cost of procuring raw materials and manufacturing our products

We have established long-standing relationships with our suppliers, job workers, in order to ensure the delivery of quality jewellery to our customers. We procure and supply raw materials, including gold, diamonds, precious stones, platinum, and silver, to our contract manufacturers and pay them a fee as a contractor. As of January 31, 2022, we had direct arrangements with 258 job workers. We purchase bullions or standard gold from bullion suppliers, as well as old gold jewellery from customers to be converted into finished jewellery. In Fiscal 2019, 2020 and 2021 and in the six months ended September 30, 2020 and September 30, 2021, we sourced 2,500.00 kilograms, 1,112.26 kilograms, 948.92 kilograms, 132.00 kilograms and 403.00 kilograms of gold, respectively, pursuant to such arrangements. Our cost of materials consumed is impacted by the

amount of gold, diamond and other jewellery procured and the price at which we procure such materials, and may fluctuate from time to time. Our results of operations are significantly affected by changes in the prices of gold and diamonds. Fluctuations in the price of gold and diamond may affect our results of operations in various ways. A decrease in the market price of diamonds or gold would adversely affect our ability to recover the cost incurred in procuring the same while an increase in the price of diamonds or gold may result in an increase in our income from sales assuming such increases do not adversely affect our sales volumes. However, a significant increase in the price of diamonds or gold could lead to a decrease in demand for our jewellery and/or a decrease in our profit margins as a result of lower demand. Further, the effect of a change in the market price of gold or diamonds on our results of operations is also dependent upon the hedging mechanisms that we may consider entering into if gold prices cross certain internally determined thresholds.

For manufacturing, we have entered into job-work arrangements with independent jewellers and contractors who assist in designing and manufacturing the jewellery according to locality, design trends and customer reviews. Changes in quantity of products manufactured through our job workers and increase in costs of production of job workers (which may increase in the future, including due to increase in the cost of labour and other utilities) may affect expenses incurred towards fabrication charges and consequently our profitability and results of operations.

Changes in the relative mix of gold jewellery, studded jewellery and other jewellery products have had and will continue to have an impact on our financial condition and results of operations. The share of studded jewellery was 12.5% of the overall market estimated at USD 60 billion (*Source: Technopak Report*). In order to tap the market potential of studded jewellery, we have modified our inventory procurement to showcase the wide variety and collection of studded jewellery together with merchandizing and “window display” of studded jewellery to increase its visibility within our showrooms. We also provide incentives to our staff members linked to the sales of studded jewellery in our showrooms. We intend to continue to increase our focus on studded jewellery going forward and in non-southern states in India as these products have become increasingly popular, and also typically have a higher margin profile than our gold jewellery.

Seasonality

Our sales have historically exhibited certain seasonal fluctuations, reflecting higher sales volumes and profit margins during festivals and other occasions such as Durga Puja, Akshay Tritaya, Dhanteras, Diwali, and Christmas. Historically, sales in the third quarter and fourth quarter have typically been higher than the first quarter and second quarter of the fiscal year. We stock certain inventory to account for this seasonality, while our fixed costs such as lease rentals, employee salaries, showroom operating costs and logistics-related expenses, which form a significant portion of operating costs, are relatively constant throughout the year.

Consequently, lower than expected net sales during any third or fourth quarters or more pronounced seasonal variations in sales in the future could have a disproportionate impact on our operating results for the year, or could strain our resources and impair cash flows. Any slowdown in demand for our jewellery during peak season or failure by us to accurately foresee and prepare for such seasonal fluctuations could have a material adverse effect on our business, financial condition and results of operations. The effect of seasonality is expected to further decrease with greater geographical diversification.

Competition

We operate in a highly competitive and fragmented market, and face competition from both organised and unorganised companies in the Indian jewellery industry. Our main competitors are other organised jewellery retailers like GRT Jewellers, Kalyan Jewellers India Limited, Malabar Gold Private Limited, P.N. Gadgil Jewellers, PC Jeweller Limited, Senco Gold Limited, Thangamayil Jewellery, Titan Company Limited (Tanishq), and Tribhovandas Bhimji Zaveri Limited as well as local jewellers and craftsmen, most of whom are from the unorganised sector. (*Source: Technopak Report*) Success of our operations depends on our ability to effectively compete, including by continuing to differentiate our brand and products from competition by maintaining our brand perception centred around the values of trust and transparency and also by continuing to localise our product assortment and marketing campaigns to cater to local preferences in the markets in which we operate.

Cost management

Given the nature of our business, efficiently managing our operating costs are critical to maintain our competitiveness and profitability. Our profitability is partially dependent on our ability to spread semi-fixed operating costs over high sales volumes. We continuously undertake efforts to reduce employees expenses, advertisement expenses and expenses on leases. We believe that these initiatives help us to achieve operational efficiencies and maintain our competitiveness and profitability. We intend to continue such efficient cost management initiatives which will help us to increase our profitability as our operations increase.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies have been set forth below and are consistently applied by our Company in preparation of the Restated Financial Information. Unless otherwise stated, these policies are consistent with those adopted in the preparation of special purpose interim financial statements for the six months ended September 30, 2021.

Revenue Recognition

Revenue is recognized upon transfer of control of promised products to customers in an amount that reflects the consideration which our Company expects to receive in exchange for those products. Revenue from the sale of products is recognised at the point in time when control is transferred to the customer, *i.e.*, sale of goods.

Our Company measures revenue based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and incentives, if any, as per the contract with the customer. Revenue also excludes taxes collected from customers, which are subsequently remitted to governmental authorities.

Customer loyalty program

Sale of goods that result in credits for customers, under the “Encircle” scheme, which entitles customers to avail discounts on repeat purchases are accounted for as multiple element revenue transactions and the fair value of the consideration received or receivable is allocated between the goods supplied and the award credits granted. The consideration allocated to the award credits is measured by reference to their fair value and such consideration is not recognised as revenue at the time of the initial sale transaction but is deferred and recognised as revenue when the award credits are redeemed and our Company’s obligations have been fulfilled or when it is no longer probable that the award credits will be redeemed.

Recognition of interest income

Our Company recognized interest income from a financial asset when it is probable that the economic benefits will flow to our 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.

The ‘effective interest rate’ is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to either the gross carrying amount of the financial asset; or the amortised cost of the financial liability.

Leases

From April 1, 2019, our Company has applied IND AS 116 “Leases” using the modified retrospective approach under which our Company recognised right- of- use assets equal to the lease liability and lease liability is measured at the present value of lease payments discounted at the incremental borrowing rate as on April 1, 2019. For the purpose of preparing Restated Financial Information, IND AS 116 has been applied retrospectively from April 1, 2018.

At the date of commencement of the lease, our Company recognizes a right-of-use asset (“**ROU**”) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, we recognize the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. Lease liability and ROU asset have been separately presented in the balance sheet and lease payments have been classified as financing cash flows.

Initial Measurement

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs and any cost to be incurred for dismantling, removal and restoration of the underlying assets. They are subsequently measured at cost less accumulated depreciation and impairment losses. The lease liability is initially measured at amortized cost at the present value of the future lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. We determine incremental borrowing rate by obtaining interest rates from various external financing sources that reflects the terms of the lease and the type of the asset leased.

Subsequent Measurement

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if our Company changes its assessment if whether we will exercise an extension or a termination option.

Amendments to Ind AS 116: COVID-19 related rent concessions

The amendment to Ind AS 116 provides relief to lessees from applying Ind AS 116 guidance on lease modification accounting for rent concessions arising as a direct consequence of the COVID-19. As a practical expedient, a lessee may elect not to assess whether a COVID-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under Ind AS 116, if the change were not a lease modification. The amendments are applicable for annual reporting periods beginning on or after the April 1, 2020.

Property, plant and equipment

Tangible Assets

Recognition and measurement

Our Company measures items of property, plant and equipment at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognised in the statement of profit and loss.

Capital work-in progress comprises of the cost of fixed assets that are not yet ready for their intended use as on the balance sheet date. Advance paid towards the acquisition of fixed assets, outstanding at each balance sheet date are shown under capital advances.

Subsequent expenditure

Our Company only capitalizes subsequent expenditure only if it is probable that the future economic benefits associated with the expenditure will flow to us.

Depreciation

Depreciation is provided on the cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the Straight-Line Method ('SLM') and is generally recognized in the statement of profit and loss. Freehold land is not depreciated.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset	Useful lives
Buildings*	20
Plant and equipment*	7
Computers*	3
Aircraft*	15
Electrical fittings*	8
Office equipment*	7
Furniture and fixtures*	7

Vehicles*	5
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* For the above-mentioned classes of assets, we believe that the useful lives as given above best represent the useful lives of these assets based on internal assessment and technical advice, where necessary, which is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act.

Depreciation on additions/disposals during the year are provided on a pro rata basis i.e. from /upto the date on which asset is ready for use/disposed of.

Intangible Assets

Computer software

We initially measure computer software at cost. Such intangible assets are subsequently measured by us at cost less and accumulated amortisation any accumulated impairment losses.

Subsequent expenditure

We capitalize subsequent expenditure only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in the statement of profit and loss as incurred.

Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in the statement of profit and loss. We amortise computer software over a period of five (5) years.

Amortisation method, useful lives and residual values are reviewed by our Company at the end of each financial year and are adjusted, if appropriate.

Financial instruments

Recognition and initial measurement

Our Company initially recognizes trade receivables when they are originated. All other financial assets and financial liabilities are initially recognised by us when we become a party to the contractual provisions of the instrument.

We initially measure a financial asset or financial liability at fair value plus, for an item not at fair value through profit and loss (“FVTPL”), transaction costs that are directly attributable to its acquisition or issue.

Classification and subsequent measurement

Financial assets

When recognized initially by us, a financial asset is classified as measured at either at amortised cost, FVTPL or fair value in other comprehensive income (“FVOCI”). Financial assets are not reclassified subsequent to their initial recognition, except if and in the period our Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, we may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: business model assessment

We make an assessment of the objective of the business model in which a financial asset is held at investment level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for each of such investments and the operation of those policies in practice;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with our Company's continuing recognition of the assets. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, '*principal*' is defined as the fair value of the financial asset on initial recognition. '*Interest*' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (*e.g.* liquidity risk and administrative costs), as well as a profit margin. In assessing whether the contractual cash flows are solely payments of principal and interest, we consider the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, we consider the following:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit our Company's claim to cash flows from specified assets (*e.g.* non-recourse features).

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

We classify financial liabilities as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. An embedded derivative cause some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified variable. We enter into purchase gold contract, in which the amount payable is not fixed based on gold price on the date of purchase, but instead is affected by changes in gold prices in future. Such transactions are entered into to protect against the risk of gold price movement in the purchased gold. Accordingly, such unfixed payables are considered to have an embedded derivative.

At balance sheet date, our Company fair values the financial instrument based on the fair value of the gold and the change in value is passed through statement of profit and loss.

Derecognition

Financial assets

We derecognize a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which we neither transfer nor retain substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If we enter into transactions whereby we transfer assets recognised on our balance sheet, but retain either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised by us.

Financial liabilities

We derecognize a financial liability when its contractual obligations are discharged or cancelled, or expire. Our Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, we have a legally enforceable right to set off the amounts and we intend either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Derivative financial instruments

We hold derivative financial instruments to hedge our foreign currency exposures. Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

Impairment

Impairment of financial assets

Our Company recognizes loss allowances using the expected credit loss (“ECL”) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to life time ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in the statement of profit and loss.

Impairment of non-financial assets

Our Company, at the end of each reporting period, 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 assets is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, our Company estimates the recoverable amount of the cash-generating unit to which the assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Further, 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 estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit and loss by our Company.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) 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 (or cash generating unit) in prior years. A reversal of impairment loss is recognised immediately in the statement of profit and loss by our Company.

Inventories

Inventories other than quantities of gold for which the price is yet to be determined with the suppliers (unfixed gold)] are stated at the lower of cost and net realizable value determined on an item-by-item basis. Our Company determines the costs as follows:

Inventory	Valuation Method
Materials	Weighted Average Method
Finished Goods	
- Gold	Weighted Average Method/ Cost of purchases
- Diamond, precious stones and platinum jewellery	Specific Identification Method

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Cost comprises all costs of purchase including duties and taxes (other than those subsequently recoverable by our Company), freight inwards and other expenditure directly attributable to acquisition. Finished goods include appropriate proportion of overheads and, where applicable, excise duty.

Traded goods are valued on a moving weighted average rate/ cost of purchases.

The comparison of cost and net realisable value is made on an item-by-item basis. Raw materials and packing materials held for use in production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Provisions, contingent liabilities and contingent assets

A provision is recognised by us if, as a result of a past event, our Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. We determined provisions by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

A contract is considered to be onerous when the expected economic benefits to be derived by us from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, our Company recognises any impairment loss on the assets associated with that contract.

Contingent liabilities and contingent assets are not recognized in the Restated Financial Information. Contingent liabilities are disclosed in the Restated Financial Information unless the possibility of any outflow in settlement is remote. Contingent assets are disclosed in the Restated Financial Information where an inflow of economic benefits is probable.

Employee benefits

Short-term employee benefits

Our Company measures short-term employee benefit obligations on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid *e.g.*, under short-term cash bonus, if our Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

Compensated Absences

Our employees are entitled to compensated absences. The employees cannot carry forward any portion of the unutilized accumulating compensated absences. Non-accumulating compensated absences are recognized in the period in which the absences occur.

Post-employment benefits

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid *e.g.*, under short-term cash bonus, if our Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

Compensated Absences

Our employees are entitled to compensated absences. The employees cannot carry forward any portion of the unutilized accumulating compensated absences. Non-accumulating compensated absences are recognized in the period in which the absences occur.

Post-employment benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

Our Company makes specified monthly contributions towards GoI administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by the employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Our Company's gratuity benefit scheme is a defined benefit plan. Our net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. We determine the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of our Company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in the statement of profit and loss.

Income tax

Income tax comprises current and deferred tax. It is recognised in statement of profit and loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used.

Deferred tax assets either unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Earnings per share

Basic earnings per share (“**EPS**”) is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of shares outstanding during the year.

Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the period except where the result would be anti-dilutive. Dilutive potential equity shares are deemed converted as of the beginning of the period unless issued at a later date.

CHANGES IN ACCOUNTING POLICIES IN THE LAST THREE FINANCIAL YEARS

There have been no changes in the accounting policies of the Company during the last three financial years, except for with respect to Ind AS 116, which was effective for accounting periods beginning on or after April 1, 2019.

Ind AS 116

On March 30, 2019, the Ministry of Company Affairs (“**MCA**”) notified that Ind AS 116 would be effective for accounting periods beginning on or after April 1, 2019.

We adopted Ind AS 116 'Leases' with the date of initial application being April 1, 2019. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. We have used simplified transition approach under Ind AS 116, under which the difference between right-to-use asset and lease liabilities is adjusted against retained earnings as on the date of transition. For the purpose of Restated Financial Information, the proforma transition date has been considered as April 1, 2018, resulting in net impact of ₹ 197.64 million (net of deferred tax asset) in the restated 'Other equity' and 'Total comprehensive income'.

The net effect of the above mentioned restatement adjustment in the 'other equity', 'right-of-use asset' and 'lease liabilities' balance as at March 31, 2019, have not been considered in the respective opening balances as at April 1, 2019. Hence, the

opening balance of 'other equity', 'right-of-use' and 'lease liabilities' as at April 1, 2019 in these Restated Financial Information are as per the audited standalone financials statements as at and for year ended March 31, 2019. For further information, see “Restated Financial Information – Note 41: Restatement adjustments” on page 242.

NON-GAAP MEASURES

EBITDA and others below, (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, Indian GAAP, IFRS or US GAAP. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, 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, Indian GAAP, 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 EBITDA Margin to Restated (Loss) / Profit after Tax

The table below reconciles restated (loss) / profit for the year to EBITDA. EBITDA is calculated as profit/loss for the year/ period, plus total tax expenses, exceptional items, finance costs and depreciation and amortization expenses, less other income, while EBITDA Margin is the percentage of EBITDA divided by revenue from operations.

Particulars	Fiscal			Six Months ended September 30,	
	2019	2020	2021	2020	2021
	(₹ million)				
Restated (loss) / profit after tax (I)	1,161.38	407.05	4717.54	2486.11	2,689.45
Add: Total Tax Expense (II)	2,108.60	3,071.45	1,651.70	834.59	911.06
Add: Exceptional Items (III)					
Add: Finance Costs less interest on income tax (IV)	1,758.02	1,990.49	1,840.99	963.91	842.64
Add: Depreciation and Amortisation expense (V)	848.77	1,019.57	1,252.28	670.32	541.29
Earnings before interest, taxes, depreciation and amortization expenses (EBITDA) VI = I + II + III + IV + V	5,876.76	6,488.56	9,462.51	4,954.93	4,984.44
Revenue from operations (VII)	80,918.42	80,237.88	80,662.93	20,887.73	40,122.61
EBITDA Margin (VI/VII)	7.26	8.09	11.73	23.72	12.42

Reconciliation of return on capital employed

Particulars	Fiscal			Six Months ended September 30*,	
	2019	2020	2021	2020	2021
	(₹ million)				
Total assets (I)	38,401.83	44,443.92	47,964.75	42,939.93	53,700.47
Current liabilities (II)	20,833.33	25,419.38	24,643.30	21,399.64	28,021.74
Capital employed (III=I-II)	17,568.50	19,024.54	23,321.45	21,540.29	25,678.73
Restated profit before interest and tax for the year (IV)	5,335.91	6,877.90	8,267.82	4,290.71	4,447.54
Return on capital employed (V=IV/III)	30.37%	36.15%	35.45%	19.92	17.32%

* Not annualised

Reconciliation of Return on Equity to Total Equity

The table below reconciles return on equity to total equity. Return on equity is calculated as restated (loss) / profit for the year/ period divided by total equity.

Particulars	Fiscal			Six Months ended September 30,	
	2019	2020	2021	2020	2021
	(₹ million)				
Total Equity (I)	11,875.73	12,478.52	17,207.50	14,969.37	19,867.35
Profit for the period / year (II)	1,161.38	407.05	4,717.54	2,486.11	2,689.45
Return on Equity (III) = (II/I)	9.78%	3.26%	27.42%	16.61%	13.54%

Reconciliation of Total Borrowings and Debt to Equity Ratio

The table below reconciles total borrowings and debt to equity. Total Borrowings is calculated as borrowings under non-current liabilities plus current maturities of long-term debts plus borrowings under current liabilities, while Debt to Equity is calculated as Total Borrowings divided by total equity.

Particulars	Fiscal			Six Months ended September 30,	
	2019	2020	2021	2020	2021
	(₹ million)				
Non-Current Liabilities – Borrowings (I)	531.71	683.01	474.64	820.56	250.46
Current maturities of long-term debts (II)	224.27	377.77	686.75	665.37	573.80
Current liabilities – Borrowings (III)	11,611.43	14,162.42	13,346.14	13,782.86	14,460.92
Total Borrowings IV = (I + II + III)	12,367.41	15,223.20	14,507.53	15,268.79	15,285.18
Total Equity (V)	11,875.73	12,478.52	17,207.50	14,969.37	19,867.35
Debt to Equity ratio VI = (IV/V)	1.04	1.22	0.84	1.02	0.77

PRINCIPAL COMPONENTS OF INCOME AND EXPENDITURE

Set forth below are the principal components of income and expenditure from our continuing operations:

Total Income

Our total income comprises (i) revenue from operations; and (ii) other income.

Revenue from Operations

Revenue from operations comprises sale of (i) gold products; (ii) diamonds; and (iii) other that includes sale of silver and pearls.

Other Income

Other income includes:

- Interest income on bank deposits, income tax and others that includes interest received from statutory deposits of ₹0.37 million;
- Interest income under the effective interest method on lease deposits;
- Net gain on foreign exchange transactions and translation;
- Rent income from lease of owned properties;
- Profit on sale of assets that includes ₹1.89 million from sale of old vehicles, office equipment's, furniture, electrical fittings, etc; and
- Provisions no longer required written back.

Expenses

Our expenses comprise (i) cost of materials consumed; (ii) purchases of stock-in-trade; (iii) changes in inventories of finished goods and work-in-progress; (iv) employee benefit expense; (v) finance costs; (vi) depreciation and amortisation expenses; and (viii) other expenses.

Cost of Materials Consumed

Cost of materials consumed comprise gold, diamond and others that includes silver, old silver, packing materials, stones and conversion charges on account of making charges for ornament manufacturing, hallmarking expenses, packing materials purchase , ornament repairing, etc.

Purchases of Stock-in-Trade

Purchases of stock-in-trade comprises gold, diamond and others that includes silver ornaments, pearl ornaments, etc.

Changes in Inventory of Finished Goods and Stock-in-Trade

Changes in inventories of finished goods is calculated based on the opening stock and closing stock of gold, diamonds and others.

Employee Benefit Expense

Employee benefit expense comprises (i) salaries, wages and bonus; (ii) contribution to provident and other funds; (iii) gratuity expenses; and (iv) staff welfare expenses.

Finance Costs

Finance costs include: (i) interest expense on (A) borrowings; and (B) gold on loan; and (C) income tax; (ii) other borrowing costs that comprise processing fees; and (iii) interest expense on lease liability.

Depreciation and Amortisation Expenses

Depreciation and amortisation expenses comprise (i) depreciation of property, plant and equipment; and (ii) depreciation on right-of-use assets.

Other Expenses

Other expenses comprise (i) bank charges; (ii) advertising and promotional expenses; (iii) power and fuel; (iv) repairs and maintenance (others); (v) power and fuel; (vi) rates and taxes; (vii) security services (viii) legal and professional charges; (ix) rent; (x) insurance; (xi) printing and stationery; (xii) travel, stay and vehicle expenses; (xiii) miscellaneous expenses; (xiv) director sitting fees; (xv) auditor remuneration; and (xvi) donation to political parties.

Key components of other expenses are explained below:

- Bank charges are mainly incurred towards credit card commissions and cash pick up charges.
- Advertising and promotional expenses primarily comprises expenses towards advertisement, social media promotions and event promotions.
- Power and fuel charges comprises amounts electricity charges and generator running expenses.
- Rent expenses incurred towards our EBOs, payable to landlords/ lessors/ mall developers.
- Repairs and Maintenance expenses incurred towards our buildings, machinery and others primarily comprise of the maintenance of showroom, vehicles, refurbishments and periodic upgrades to our showrooms to maintain the ambience and experiential customer service, and the common area maintenance paid to malls.

RESULTS OF OPERATIONS

The following table sets forth certain information with respect to our results of operations for Fiscal 2019, 2020 and 2021 and for the six months ended September 30, 2020 and September 30, 2021:

Particulars	Fiscal						Six months ended September 30,			
	2019		2020		2021		2020		2021	
	(₹ million)	Percentage of total income (%)	(₹ million)	Percentage of total income (%)	(₹ million)	Percentage of total income (%)	(₹ million)	Percentage of total income (%)	(₹ million)	Percentage of total income (%)
Income										
Revenue from operations	80,918.42	99.89%	80,237.88	99.90%	80,662.93	99.62%	20,887.73	99.19%	40,122.61	99.39%
Other income	88.96	0.11%	82.62	0.10%	307.34	0.38%	170.63	0.81%	247.28	0.61%
Total income	81,007.38	100.00%	80,320.50	100.00%	80,970.27	100.00%	21,058.36	100.00%	40,369.89	100.00%
Expense										
Cost of materials consumed	35,049.38	43.26%	33,771.17	42.04%	32,015.83	39.54%	9,189.09	43.64%	14,976.91	37.10%
Purchases of stock-in-trade	36,861.46	45.50%	39,124.01	48.71%	40,006.14	49.41%	4,751.75	22.56%	24,521.62	60.74%
Changes in inventories of finished goods and stock-in-trade	(1,639.19)	(2.02)%	(4,853.43)	(6.04)%	(3,805.65)	(4.70)%	1,023.33	4.86%	(5,821.96)	(14.42)%
Employee benefit expense	2,043.47	2.52%	2,136.14	2.66%	1,611.70	1.99%	583.58	2.77%	1,002.37	2.48%
Finance costs	2,065.93	2.55%	3,399.40	4.23%	1,898.58	2.34%	970.01	4.61%	847.03	2.10%
Depreciation and amortisation expense	848.77	1.05%	1,019.57	1.27%	1,252.28	1.55%	670.32	3.18%	541.29	1.34%
Other expense	2,507.58	3.10%	2,245.14	2.80%	1,622.15	2.00%	549.58	2.61%	702.12	1.74%
Total expenses	77,737.40	95.96%	76,842.00	95.67%	74,601.03	92.13%	17,737.66	84.23%	36,769.38	91.08%
Profit before tax	3,269.98	4.04%	3,478.50	4.33%	6,369.24	7.87%	3,320.70	15.77%	3,600.51	8.92%
Tax expenses										
Current tax	1,385.00	1.71%	1,469.86	1.83%	1,709.10	2.11%	839.11	3.98%	982.08	2.43%
Tax expense relating to prior years	858.25	1.06%	1,919.86	2.39%	-	-	-	-	-	-
Deferred tax (benefit) / charge	(134.65)	(0.16)%	(318.27)	(0.40)%	(57.40)	(0.07)%	(4.52)	(0.02)%	(71.02)	(0.17)%
Total tax expense	2,108.60	2.61%	3,071.45	3.82%	1,651.70	2.04%	834.59	3.96%	911.06	2.26%
Profit for the year	1,161.38	1.43%	407.05	0.51%	4,717.54	5.83%	2,486.11	11.81%	2,689.45	6.66%
Other comprehensive income										
Items that will not be reclassified to profit or loss										
Remeasure gain / (loss) of defined benefit liability	(5.87)	(0.01)%	(2.54)	(0.01)%	15.29	0.01%	6.33	0.03%	(39.54)	(0.10)%

Particulars	Fiscal						Six months ended September 30,			
	2019		2020		2021		2020		2021	
	(₹ million)	Percentage of total income (%)	(₹ million)	Percentage of total income (%)	(₹ million)	Percentage of total income (%)	(₹ million)	Percentage of total income (%)	(₹ million)	Percentage of total income (%)
Income tax related to items that will not be reclassified to profit or loss	2.05	0.01%	0.64	0.00%	(3.85)	0.00%	(1.59)	(0.01)%	9.94	0.03%
Total other comprehensive income	(3.82)	0.00%	(1.90)	(0.01%)	11.44	0.01%	4.74	0.02%	(29.60)	(0.07)%
Total comprehensive (loss) / income for the year	1,157.56	1.43%	405.15	0.50%	4,728.98	5.84%	2,490.85	11.83%	2,659.85	6.59%

SIX MONTHS ENDED SEPTEMBER 30, 2021 COMPARED TO SIX MONTHS ENDED SEPTEMBER 30, 2020

Key Developments

- Our operations were severely impacted by COVID-19 and consequent lockdowns and restrictions imposed in India. For further information, see “ – Significant Factors Affecting Results of Operations and Financial Condition – Impact of COVID-19” on page 248.
- We refurbished eight of our existing showrooms from April 1, 2021 to September 30, 2021 located at Karim Nagar, Khammam, Warangal, Kottayam, Chittor, Nellore, Tirupathi and Noida.

Income

Total income increased by 91.70% from ₹ 21,058.36 million in the six months ended September 30, 2020 to ₹ 40,369.89 million in the six months ended September 30, 2021 primarily due to increased operations on account of resumption of activities post lockdown during the six months ended September 30, 2021 compared with the six months ended September 30, 2020.

Revenue from operations

Revenues from operations increased by 92.09% from ₹ 20,887.73 million in the six months ended September 30, 2020 to ₹ 40,122.61 million in six months ended September 30, 2021, primarily due to resumption of retail activities post lockdown.

Sale of products

Sale of products increased by 92.09% from ₹ 20,887.73 million in the six months ended September 30, 2020 to ₹ 40,122.61 million in six months ended September 30, 2021.

- Revenue from the sale of gold increased by 83.88% from ₹ 18,079.57 million in the six months ended September 30, 2020 to ₹ 33,244.23 million in six months ended September 30, 2021.
- Revenue from the sale of diamonds increased by 145.30% from ₹ 2,467.58 million in the six months ended September 30, 2020 to ₹ 6,052.87 million in six months ended September 30, 2021,.
- Revenue from sale of other jewellery increased by 142.38% from ₹ 340.58 million in the six months ended September 30, 2020 to ₹ 825.51 million in six months ended September 30, 2021.

Other income

Other income increased by 44.92% from ₹ 170.63 million in the six months ended September 30, 2020 to ₹ 247.28 million in the six months ended September 30, 2021, primarily due to increase in interest on bank deposits from ₹ 3.24 million in the six months ended September 30, 2020 to ₹ 6.75 million in the six months ended September 30, 2021, an increase in interest income under the effective interest method on lease deposits, from ₹ 2.54 million in the six months ended September 30, 2020 to ₹ 9.62 million in the six months ended September 30, 2021, and an increase in the net gain on account of foreign exchange fluctuations from ₹ 1.14 million in the six months ended September 30, 2020 to ₹ 4.56 million in the six months ended September 30, 2021, an increase in profit on sale of assets from ₹ 0.70 million in the six months ended September 30, 2020 to ₹ 1.89 million in the six months ended September 30, 2021, an increase in provisions no longer required written back, from nil in the six months ended September 30, 2020 to ₹ 102.91 million in the six months ended September 30, 2021 as well as an increase in other non-operating income, from ₹ 2.28 million in the six months ended September 30, 2020 to ₹ 4.62 million in the six months ended September 30, 2021

This was partially offset by a decrease in gain on rent concessions by 27.83% from ₹ 154.10 million in the six months ended September 30, 2020 to ₹ 111.22 million in the six months ended September 30, 2021 and a decrease in rent income by 7.77% from ₹ 5.79 million in the six months ended September 30, 2020 to ₹ 5.34 million in the six months ended September 30, 2021.

Expenses

Total expenses increased by 107.30% from ₹ 17,737.66 million in the six months ended September 30, 2020 to ₹ 36,769.38 million in six months ended September 30, 2021 primarily due to an increase in sales in the six months ended September 30, 2021 and increased operations in the six months ended September 30, 2021 compared with the six months ended September 30, 2020.

Cost of materials consumed

Cost of materials consumed increased significantly by 62.99% from ₹ 9,189.09 million in the six months ended September 30, 2020 to ₹ 14,976.91 million in six months ended September 30, 2021 primarily due to an increase in sales in the six months ended September 30, 2021.

Purchases of stock-in-trade

Purchases of stock-in-trade increased significantly by 416.05% from ₹ 4,751.75 million in the six months ended September 30, 2020 to ₹ 24,521.62 million in six months ended September 30, 2021 primarily due to increased jewellery sourcing during the period.

Changes in inventories of finished goods and stock-in-trade

Inventories of finished goods and work-in-progress reflect a net decrease from ₹ 1,023.33 million in the six months ended September 30, 2020 to ₹ (5,821.96) million in six months ended September 30, 2021 due to increased sourcing of gold, diamond and other jewellery.

Employee benefits expense

Employee benefits expenses increased by 71.76% from ₹ 583.58 million in the six months ended September 30, 2020 to ₹ 1,002.37 million in six months ended September 30, 2021 primarily due to an increase in salaries, wages and bonus by 75.11% from ₹ 504.18 million in the six months ended September 30, 2020 to ₹ 882.89 million in six months ended September 30, 2021. This led to a corresponding increase in the contribution to provident and other funds by 47.15% from ₹ 25.98 million in the six months ended September 30, 2020 to ₹ 38.23 million in six months ended September 30, 2021. There is also an increase in gratuity expenses by 12.68% from ₹ 16.22 million in the six months ended September 30, 2020 to ₹ 18.28 million in six months ended September 30, 2021 attributable to an increase in service costs. Staff welfare expenses increased by 69.27% from ₹ 37.20 million in the six months ended September 30, 2020 to ₹ 62.97 million in six months ended September 30, 2021 on account of optimisation of expenses.

Finance costs

Finance costs decreased by 12.65% from ₹ 970.01 million in the six months ended September 30, 2020 to ₹ 847.03 million in six months ended September 30, 2021 primarily due to a decrease in interest expense on borrowings by 20.58% from ₹ 701.80 million in the six months ended September 30, 2020 to ₹ 557.35 million in the six months ended September 30, 2021 as a result of the adoption of Ind AS 116. Interest expense on gold on loan decreased from ₹ 9.92 million in the six months ended September 30, 2020 to nil in six months ended September 30, 2021 primarily due to elimination of gold on loan in the six months ended September 30, 2021 on account of the impact of COVID-19 which resulted limited gold purchases. There was

also a decrease in interest expense on income tax, from ₹ 6.10 million in the six months ended September 30, 2020 to ₹ 4.39 million in six months ended September 30, 2021.

These decreases are partially offset by an increase in interest expense on lease liability, by 12.77% from ₹ 245.08 million in the six months ended September 30, 2020 to ₹ 276.38 million in six months ended September 30, 2021, and an increase in other borrowing costs, from ₹ 7.11 million in the six months ended September 30, 2020 to ₹ 8.91 million in six months ended September 30, 2021.

Depreciation and amortisation expenses

Depreciation and amortisation expenses decreased by 19.25% from ₹ 670.32 million in the six months ended September 30, 2020 to ₹ 541.29 million in six months ended September 30, 2021, primarily on account of decrease in depreciation of property, plant and equipment by 31.68% from ₹ 345.17 million in the six months ended September 30, 2020 to ₹ 235.83 million in six months ended September 30, 2021, due to new leases and renewal of agreements for our showrooms. Depreciation of right of use asset also decreased by 6.05% from ₹ 325.15 million in the six months ended September 30, 2020 to ₹ 305.46 million in six months ended September 30, 2021.

Other expenses

Other expenses increased by 27.76% from ₹ 549.58 million in the six months ended September 30, 2020 to ₹ 702.12 million in six months ended September 30, 2021, primarily due increased operations on account of resumption of activities post lockdown during the six months ended September 30, 2021 compared with the six months ended September 30, 2020. Other expenses increased primarily on account of:

- Bank charges that increased by 218.69% from ₹ 55.92 million in the six months ended September 30, 2020 to ₹ 178.21 million in six months ended September 30, 2021, due to additional borrowings on account of increased operations.
- Advertising and promotional expenses that increased by 139.77% from ₹ 70.91 million in the six months ended September 30, 2020 to ₹ 170.02 million in six months ended September 30, 2021.
- Repairs and maintenance of other assets apart from building or leasehold improvements that increased by 161.01% from ₹ 35.16 million in the six months ended September 30, 2020 to ₹ 91.77 million in six months ended September 30, 2021, primarily due to normal wear and tear.
- Power and fuel expenses that increased by 49.40% from ₹ 57.14 million in the six months ended September 30, 2020 to ₹ 85.37 million in six months ended September 30, 2021.
- Security services that increased by 16.71% from ₹ 28.48 million in the six months ended September 30, 2020 to ₹ 33.24 million in six months ended September 30, 2021.
- Travel, stay and vehicle expenses that increased by 298.68% from ₹ 2.28 million in the six months ended September 30, 2020 to ₹ 9.09 million in six months ended September 30, 2021.
- Legal and professional charges that increased by 109.97% from ₹ 10.13 million in the six months ended September 30, 2020 to ₹ 21.27 million in six months ended September 30, 2021, primarily due to add-ons for cloud based solution subscription.

The increase was marginally offset by a decrease in repairs and maintenance expenses for buildings and leasehold improvements that decreased from ₹ 1.33 million in the six months ended September 30, 2020 to nil in six months ended September 30, 2021, due to nationwide lockdown and temporary closures of certain of our showrooms on account of the COVID-19 pandemic, reduced operating hours and reduced travel by the corporate team. There was also a decrease in rates and taxes by 81.25% from ₹ 228.37 million in the six months ended September 30, 2020 to ₹ 42.81 million in six months ended September 30, 2021, due to COVID-19 tax relief policies implemented by the government.

Profit before tax

For the reasons discussed above, our profit was ₹ 3,320.70 million in the six months ended September 30, 2020 compared to a profit of ₹ 3,600.51 million in the six months ended September 30, 2021.

Tax Expense

Current tax obligations increased from ₹ 839.11 million in the six months ended September 30, 2020 to ₹ 982.08 million in the six months ended September 30, 2021, primarily on account of reduced provisioning on account of increased turnover. This is offset by an increase in deferred tax, from ₹ (4.52) million in the six months ended September 30, 2020 to ₹ (71.02) million in the six months ended September 30, 2021, primarily on account of depreciation on fixed assets as per the Income Tax Act. As a result, total tax expense amounted to ₹ 834.59 million in the six months ended September 30, 2020 compared to ₹ 911.06 million in the six months ended September 30, 2021.

Profit After Tax

We recorded a profit after tax of ₹ 2,486.11 million in the six months ended September 30, 2020 compared to a profit after tax of ₹ 2,689.45 million in the six months ended September 30, 2021.

Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA)

EBITDA was ₹4,984.44 million in the six months ended September 30, 2021 compared to EBITDA of ₹ 4,954.93 million in the six months ended September 30, 2020, while EBITDA Margin was 12.42% in the six months ended September 30, 2021 compared to 23.72% in the six months ended September 30, 2020.

For reconciliation of EBITDA and EBITDA Margin, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Results of Operations – Non GAAP Measures - Reconciliation of EBITDA and EBITDA Margin to Restated (Loss) / Profit after Tax*” on page 260.

FISCAL 2021 COMPARED TO FISCAL 2020

Key Developments

- Our operations in Fiscal 2021 were severely impacted by COVID-19 and consequent lockdowns and restrictions imposed in India. Operations at our showrooms were suspended or restricted, which resulted in a decrease in sale of our products, on account of government restrictions imposed during Fiscal 2021. For further information, see “ – *Significant Factors Affecting Results of Operations and Financial Condition – Impact of COVID-19*” on page 248.
- Our operations in Fiscal 2021 were also impacted by related rationalization efforts undertaken by us in order to improve operational efficiency. These included, renegotiating existing lease arrangements and closing certain showrooms. For further information, see “ – *Significant Factors Affecting Results of Operations and Financial Condition – Impact of COVID-19*” on page 248.

Income

Total income increased marginally by 0.81% from ₹ 80,320.50 million in Fiscal 2020 to ₹ 80,970.27 million in Fiscal 2021 primarily due to the impact of the COVID-19 crisis and the temporary closure of a number of our showrooms across India due to lockdown related restrictions on our business operations commencing from end of Fiscal 2020, as well as reduced showroom-level operations, including reduced operating hours in line with Government of India guidelines, which resulted in a significant decrease in customer footfalls at our showrooms given the lockdown, and significant decrease in same-store sales up to the third quarter of Fiscal 2021.

Revenue from operations

Revenues from operations increased marginally by 0.53% from ₹ 80,237.88 million in Fiscal 2020 to ₹ 80,662.93 million in Fiscal 2021, primarily due to an increase in retail sales and other operation revenue following the cessation of COVID-19.

Sale of products

Sale of products increased marginally by 0.53% from ₹ 80,237.88 million in Fiscal 2020 to ₹ 80,662.93 million in Fiscal 2021, primarily driven by an increase in retail activity.

- Revenue from sale of gold jewellery increased by 7.62% from ₹ 63,135.95 million in Fiscal 2020 to ₹ 67,947.51 million in Fiscal 2021, primarily due to lockdown imposed by the government in April and May 2020. Gold Rates have also increased substantially in 2021 as compared to 2020 which added to growth in gold sales in value terms.
- Revenue from sale of diamond jewellery decreased by 26.49% from ₹ 15,513.51 million in Fiscal 2020 to ₹ 11,404.45 million in Fiscal 2021, primarily due to lockdown imposed by the government in April and May 2020.

- Revenue from the sale of other jewellery decreased by 17.47% from ₹ 1,588.42 million in Fiscal 2020 to ₹ 1,310.97 million in Fiscal 2021, primarily due to lockdown imposed by the government in April and May 2020.

Other income

Other income increased from ₹ 82.62 million in Fiscal 2020 to ₹ 307.34 million in Fiscal 2021, primarily due to an increase in interest income on bank deposits from ₹ 8.81 million in Fiscal 2020 to ₹ 9.81 million in Fiscal 2021. There was also a gain on rent concession amounting to ₹ 245.12 million in Fiscal 2021 from no such gain in Fiscal 2020, due to our Company electing to apply the practical expedient of not assessing the rent concessions as a lease modification, as per Ministry of Corporate Affairs notification dated July 24, 2020 on Ind AS 116 for rent concessions, which were granted due to COVID-19 pandemic; there was also an increase in net gain on account of foreign exchange fluctuation, from ₹ 6.92 million in Fiscal 2020 to ₹ 7.40 million in Fiscal 2021. Finally, there was an increase in other non-operating income, from ₹ 12.16 million in Fiscal 2020 to ₹ 15.44 million in Fiscal 2021.

This was partially offset by a decrease in interest income on income taxes and others, from ₹ 1.30 million and ₹ 3.40 million in Fiscal 2020 respectively, to nil in Fiscal 2021; a decrease in interest income under the effective interest method on lease deposits, from ₹ 22.40 million in Fiscal 2020 to ₹ 17.46 million in Fiscal 2021 due to lease contracts under Ind AS 116 being redeemed in the Fiscal, and finally, on rent income, from ₹ 23.81 million in Fiscal 2020 to ₹ 12.11 million in Fiscal 2021 due to rental income no longer being derived from two sources, and on profit on sale of assets, from ₹ 3.82 million in Fiscal 2020 to nil in Fiscal 2021.

Expenses

Total expenses decreased by 2.92% from ₹ 76,842.00 million in Fiscal 2020 to ₹ 74,601.03 million in Fiscal 2021, primarily due to a reduction in our operations on account of the COVID-19 pandemic.

Cost of materials consumed

Cost of materials consumed decreased marginally by 5.20% from ₹ 33,771.17 million in Fiscal 2020 to ₹ 32,015.83 million in Fiscal 2021 due to an increase in gold sale rates, and decreasing in manufacturing activity.

Purchases of stock-in-trade

Purchases of stock-in-trade increased slightly from ₹ 39,124.01 million in Fiscal 2020 to ₹ 40,006.14 million in Fiscal 2021 primarily due to optimisation of the inventory due to lockdowns imposed on account of COVID-19 pandemic.

Change in inventory of finished goods and stock-in-trade

Inventories of finished goods and stock-in-trade reflect a net decrease by 21.59% from ₹ (4,853.43) million in Fiscal 2020 to ₹ (3,805.65) million in Fiscal 2021 attributable to increased gold prices globally and reduction in the stock of finished diamond jewellery.

Employee benefits expense

Employee benefits expenses decreased by 24.55% from ₹ 2,136.14 million in Fiscal 2020 to ₹ 1,611.70 million in Fiscal 2021, primarily due to a decrease in salaries, wages and bonus by 20.57% from ₹ 1,775.36 million in Fiscal 2020 to ₹ 1,410.18 million in Fiscal 2021 on account of the optimisation of labour force as a result of the lockdowns imposed on account of COVID-19, including non-payment of salaries for the month of April 2020 and non-payment of incentives due to showroom closure and lockdowns in certain regions. This led to a corresponding decrease in contribution to provident and other funds by 42.99% from ₹ 117.14 million in Fiscal 2020 to ₹ 66.78 million in Fiscal 2021. There was also a decrease in gratuity expenses by 67.03% from ₹ 97.79 million in Fiscal 2020 to ₹ 32.24 million in Fiscal 2021, and a decrease in staff welfare expenses by 29.72% from ₹ 145.85 million in Fiscal 2020 to ₹ 102.50 million in Fiscal 2021.

Finance costs

Finance costs decreased by 44.15% from ₹ 3,399.40 million in Fiscal 2020 to ₹ 1,898.58 million in Fiscal 2021 primarily due to a decrease in interest expense on borrowings by 5.96% from ₹ 1,366.64 million in Fiscal 2020 to ₹ 1,285.12 million in Fiscal 2021, as a result of a decrease in overall interest charges on short term borrowing and cash credit facilities and reduced loan utilization levels. Interest expense on gold on loan decreased from ₹ 30.83 million in Fiscal 2020 to ₹ 9.92 million in Fiscal 2021 on account of switching to buying bullion directly from third party jewellers rather than availing gold metal loans from banks, and interest expense on income tax also decreased from ₹ 1,408.91 million in Fiscal 2020 to ₹ 57.59 million in Fiscal 2021 as previously, the payments made were in the form of penalties, and the variance brings it back to normal. Other borrowing costs also decreased from ₹ 29.83 million in Fiscal 2020 to ₹ 18.27 million in Fiscal 2021 and includes processing fees paid for

three new loans the Company took out, as did interest expense on lease liability, from ₹ 563.19 million in Fiscal 2020 to ₹ 527.68 million in Fiscal 2021 due to the unwinding of discount on the Company's lease agreements.

Depreciation and amortisation expenses

Depreciation and amortisation expenses increased by 22.82% from ₹ 1,019.57 million in Fiscal 2020 to ₹ 1,252.28 million in Fiscal 2021, primarily on account of increase in depreciation of property, plant and equipment by 48.43% from ₹ 427.59 million in Fiscal 2020 to ₹ 634.67 million in Fiscal 2021 due to change in rate of depreciation, as well as an increase in depreciation of right-of-use asset by 4.33% from ₹ 591.98 million in Fiscal 2020 to ₹ 617.61 million in Fiscal 2021.

Other expenses

Other expenses decreased by 27.75% from ₹ 2,245.14 million in Fiscal 2020 to ₹ 1,622.15 million in Fiscal 2021, primarily due to a decrease in:

- Advertising and promotional expenses that decreased by 53.03% from ₹ 1,089.26 million in Fiscal 2020 to ₹ 511.67 million in Fiscal 2021 on account of reduced operations due to COVID, and a reduction in brokerage and commission, and field work expense.
- Power and fuel expenses that decreased by 31.20% from ₹ 190.95 million in Fiscal 2020 to ₹ 131.38 million in Fiscal 2021, due to nationwide lockdown and temporary closures of our showrooms on account of the COVID-19 pandemic resulting in reduced operating hours and reduced usage of power and fuel.
- Repairs and maintenance expenses of other assets apart from buildings or leasehold improvements that decreased by 36.39% from ₹ 178.99 million in Fiscal 2020 to ₹ 113.85 million in Fiscal 2021 on account of closure of showrooms across the country due to the nationwide lockdown imposed by the government in Fiscal 2021 on account of the COVID-19 pandemic.
- Security service expenses that decreased by 27.40% from ₹ 76.42 million in Fiscal 2020 to ₹ 55.48 million in Fiscal 2021 on account of reduced operations due to COVID-19.
- Rent expenses, that decreased by 62.59% from ₹ 52.66 million in Fiscal 2020 to ₹ 19.70 million in Fiscal 2021 primarily due rent relief negotiations pursuant to which we arrived at negotiated agreements with respect to reductions in rent and our rental obligations during the COVID-19 pandemic with a majority of our landlords. In accordance with MCA notification dated July 24, 2020, our Company elected to apply the practical expedient of not assessing lease concessions as a lease modification for all lease concessions which are granted due to COVID-19 pandemic. As a result, rent concession, shown as an increase in other income, increased to ₹ 245.12 million in Fiscal 2021 from no such income in Fiscal 2020.
- Legal and professional charges that decreased by 26.07% from ₹ 61.48 million in Fiscal 2020 to ₹ 45.45 million in Fiscal 2021 consultancy charges paid for ITSC application filed, which is a non-recurring expense.
- Travel, stay and vehicle expenses that decreased by 62.27% from ₹ 42.33 million in Fiscal 2020 to ₹ 15.97 million in Fiscal 2021, due to nationwide lockdown and temporary closures of certain of our stores on account of the COVID-19 pandemic, reduced operating hours and reduced travel by the corporate team.
- Printing and stationery expenses that decreased by 13.35% from ₹ 26.36 million in Fiscal 2020 to ₹ 22.84 million in Fiscal 2021 on account of reduced operations due to COVID.
- Miscellaneous expenses that decreased by 52.27% from ₹ 135.14 million in Fiscal 2020 to ₹ 64.50 million in Fiscal 2021 on account of reduced operations due to COVID.
- Insurance expenses that decreased by 10.91% from ₹ 17.87 million in Fiscal 2020 to ₹ 15.92 million in Fiscal 2021, due to renegotiation of existing insurance agreements at revised, competitive rates.
- Repairs and maintenance expenses of buildings or leasehold improvements that decreased by 10.88% from ₹ 3.77 million in Fiscal 2020 to ₹ 3.36 million in Fiscal 2021.

The decrease was marginally offset by an increase in rates and taxes from ₹ 46.41 million in Fiscal 2020 to ₹ 291.60 million in Fiscal 2021 due to GST ineligible input credits being expensed off, and monies being booked as provision on account of a contingent liability, an increase in auditor remuneration from ₹ 3.52 million in Fiscal 2020 to ₹ 3.87 million in Fiscal 2021, and an increase in loss on sale of PPE and CWIP from no such expense in Fiscal 2020, to ₹ 1.98 million in Fiscal 2021. There

was also an increase in expenses for donation to political parties, from no such expense in Fiscal 2020 to ₹ 7.70 million in Fiscal 2021, and an increase in expenditure incurred for Corporate Social Responsibility from ₹ 66.30 million in Fiscal 2020 to ₹ 80.00 million in Fiscal 2021.

Profit Before Tax

For the reasons discussed above, profit before tax was ₹ 3,478.50 million in Fiscal 2020 compared to a profit of ₹ 6,369.24 million in Fiscal 2021.

Tax Expense

Tax expense relating to prior years decreased from ₹ 1,919.86 million in Fiscal 2020 to no such expense in Fiscal 2021 and deferred tax benefit increased from ₹ (318.27) million in Fiscal 2020 to ₹ (57.40) million in Fiscal 2021, primarily on account of reduced taxable profit; and is partially offset by an increase in current tax expenses, from ₹ 1,469.86 million in Fiscal 2020 to ₹ 1,709.10 million in Fiscal 2021. As a result, total tax expense amounted to ₹ 3,071.45 million in Fiscal 2020 to ₹ 1,651.70 million in Fiscal 2021.

Profit for the period

We recorded a profit for the period of ₹ 407.05 million in Fiscal 2020 compared to a profit of ₹ 4,717.54 million in Fiscal 2021.

Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA)

EBITDA was ₹ 9,462.51 million in Fiscal 2021 compared to EBITDA of ₹ 6,488.56 million in Fiscal 2020, while EBITDA Margin was 11.73% in Fiscal 2021 compared to 8.09% in Fiscal 2020.

For reconciliation of EBITDA and EBITDA Margin, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Results of Operations – Non GAAP Measures - Reconciliation of EBITDA and EBITDA Margin to Restated (Loss) / Profit after Tax*” on page 260.

FISCAL 2020 COMPARED TO FISCAL 2019

Key Developments

In Fiscal 2020, our Company opened six new showrooms located at (i) AS Rao Nagar; (ii) a second showroom in T Nagar, Chennai (Tamil Nadu); (iii) a second showroom in Maduri (Tamil Nadu); (iv) Coimbatore (Tamil Nadu); (v) Bengaluru (Karnataka); and (vi) Dilsukh Nagar (Telangana) compared to five new showrooms in Fiscal 2019.

Income

Total income decreased marginally by 0.85% from ₹ 81,007.38 million in Fiscal 2019 to ₹ 80,320.50 million in Fiscal 2020.

Revenue from operations

Revenues from operations decreased marginally by 0.84% from ₹ 80,918.42 million in Fiscal 2020 to ₹ 80,237.88 million in Fiscal 2020.

Sale of products

Sale of products decreased marginally by 0.84% from ₹ 80,918.42 million in Fiscal 2019 to ₹ 80,237.88 million in Fiscal 2020, primarily due to the nationwide lockdown being imposed towards the end of the Fiscal 2020 offsetting the profit we made with the opening of seven new showrooms.

- Revenue from sale of gold jewellery decreased marginally by 0.45% from ₹ 63,419.68 million in Fiscal 2019 to ₹ 63,135.95 million in Fiscal 2020 due to the nationwide lockdown being imposed towards the end of the Fiscal 2020.
- Revenue from sale of diamond jewellery decreased marginally 2.67% from ₹ 15,938.62 million in Fiscal 2019 to ₹ 15,513.51 million in Fiscal 2020 due to the nationwide lockdown being imposed towards the end of the Fiscal 2020.
- Revenue from the sale of other jewellery increased by 1.81% from ₹ 1,560.12 million in Fiscal 2019 to ₹ 1,588.42 million in Fiscal 2020.

Other Income

Other income decreased from ₹ 88.96 million in Fiscal 2019 to ₹ 82.62 million in Fiscal 2020, primarily due to a decrease in interest income on bank deposits from ₹ 10.69 million in Fiscal 2019 to ₹ 8.81 million in Fiscal 2020. There was a decrease in interest income under the effective interest method on lease deposits, from ₹ 45.75 million in Fiscal 2019 to ₹ 22.40 million in Fiscal 2020, as well as a decrease in rent income from ₹ 25.93 million in Fiscal 2020 to ₹ 23.81 million in Fiscal 2020 due to the nationwide lockdown being imposed towards the end of the Fiscal 2020, and rent reduction was provided for the month of March, 2020.

This was partially offset by an increase in interest income on income taxes and others, from nil in Fiscal 2019 to ₹ 1.30 million and ₹ 3.40 million in Fiscal 2020 respectively and on profit on sale of assets, from ₹ 2.37 million in Fiscal 2019 to ₹ 3.82 million in Fiscal 2020, and finally increase in net gain on account of foreign exchange fluctuation, from ₹ 2.78 million in Fiscal 2019 to ₹ 6.92 million in Fiscal 2020.

Expenses

Total expenses decreased by 1.15% from ₹ 77,737.40 million in Fiscal 2019 to ₹ 76,842.00 million in Fiscal 2020.

Cost of materials consumed

Cost of materials consumed decreased marginally by 3.65% from ₹ 35,049.38 million in Fiscal 2019 to ₹ 33,771.17 million in Fiscal 2020 due to a reduction in the manufacturing of gold, which was offset by an increase in purchase of traded goods. There was also a decrease in manufacturing activity resulting in reduction of conversion charges payable.

Purchases of stock-in-trade

Purchases of stock-in-trade increased from ₹ 36,861.46 million in Fiscal 2019 to ₹ 39,124.01 million in Fiscal 2020 primarily due to seven new showrooms being opened and two branches being closed during the period, and additional purchases made to cater to the opening of such showrooms.

Change in inventory of finished goods and stock-in-trade

Inventories of finished goods and stock-in-trade reflect a net increase from ₹ (1,639.19) million in Fiscal 2019 to ₹ (4,853.43) million in Fiscal 2020 attributable to purchase of inventory for seven new showrooms being opened.

Employee benefits expense

Employee benefits expenses increased by 4.53% from ₹ 2,043.47 million in Fiscal 2019 to ₹ 2,136.14 million in Fiscal 2020, primarily due to a marginal increase in salaries, wages and bonus by 1.31% from ₹ 1,752.37 million in Fiscal 2020 ₹ 1,775.36 million in Fiscal 2020 on account of the seven showrooms being opened. There was also an increase in gratuity expenses by from ₹ 21.27 million in Fiscal 2019 to ₹ 97.79 million in Fiscal 2020 due to payment of gratuity to our managing director.

This is partially offset by a decrease in the contribution to provident and other funds by 1.31% from ₹ 118.70 million in Fiscal 2019 to ₹ 117.14 million in Fiscal 2020, and a decrease in staff welfare expenses by 3.49% from ₹ 151.13 million in Fiscal 2019 to ₹ 145.85 million in Fiscal 2020 on account of implementation of Ind AS 116 for lease accounting, a portion of staff quarters rent charged to staff welfare expense is reversed and charged to lease expense.

Finance costs

Finance costs increased by 64.55% from ₹ 2,065.93 million in Fiscal 2019 to ₹ 3,399.40 million primarily due to an increase in interest expense on borrowings by 13.52% from ₹ 1,203.83 million in Fiscal 2019 to ₹ 1,366.64 million in Fiscal 2020, as a result of repayment for certain outstanding loans. Interest expense on income tax also increased from ₹ 307.91 million in Fiscal 2019 to ₹ 1,408.91 million in Fiscal 2020 for penalty against demand notices for short payment, as did interest expense on lease liability, from ₹ 463.91 million in Fiscal 2019 to ₹ 563.19 million in Fiscal 2020 as our Company started to recognise right of use asset and liability in this period on account of Ind AS 116.

This was partially offset by a decrease in interest expense on gold on loan, from ₹ 42.23 million in Fiscal 2019 to ₹ 30.83 million in Fiscal 2020 due to decrease in metal loan limits. Other borrowing costs also decreased from ₹ 48.05 million in Fiscal 2019 to ₹ 29.83 million in Fiscal 2020 due to reduction in availing of new loan limits during the period.

Depreciation and amortisation expenses

Depreciation and amortisation expenses increased by 20.12% from ₹ 848.77 million in Fiscal 2019 to ₹ 1,019.57 million in Fiscal 2020, primarily on account of increase in depreciation of property, plant and equipment by 16.28% from ₹ 367.71 million in Fiscal 2019 to ₹ 427.59 million in Fiscal 2020 due to the opening of seven new showrooms, as well as an increase in depreciation of right-of-use asset by 23.06% from ₹ 481.06 million in Fiscal 2019 to ₹ 591.98 million in Fiscal 2020.

Other expenses

Other expenses decreased by 10.47% from ₹ 2,507.58 million in Fiscal 2019 to ₹ 2,245.14 million in Fiscal 2020, primarily due to a decrease in:

- Rent expenses, by 66.33% from ₹ 156.41 million in Fiscal 2019 to ₹ 52.66 million in Fiscal 2020 primarily due to lease adjustments and partially due to the lockdown towards the end of Fiscal 2020.
- Insurance expenses, by 22.85% from ₹ 23.16 million in Fiscal 2019 to ₹ 17.87 million in Fiscal 2020, due to renegotiating of existing insurance agreements at revised competitive rates.
- Rates and taxes, from ₹ 57.09 million in Fiscal 2019 to ₹ 46.41 million in Fiscal 2020 due to an amount being expensed in the earlier year against payment of sales tax. An amount of ₹9.75 million is paid towards sales tax demand for filing second appeal which is written off in books of accounts.
- Travel, stay and vehicle expenses, by 14.81% from ₹ 49.69 million in Fiscal 2019 to ₹ 42.33 million in Fiscal 2020, due nationwide lockdown and temporary closures of certain of our showrooms on account of the COVID-19 pandemic towards the end of Fiscal 2020.
- Security service expenses that decreased by 12.38% from ₹ 87.22 million in Fiscal 2019 to ₹ 76.42 million in Fiscal 2020.
- Advertising and promotional expenses that decreased by 20.73% from ₹ 1,374.10 million in Fiscal 2019 to ₹ 1,089.26 million in Fiscal 2020 due to COVID-19.
- Printing and stationery expenses that decreased by 11.31% from ₹ 29.72 million in Fiscal 2019 to ₹ 26.36 million in Fiscal 2020.

This is partially offset by an increase in power and fuel expenses by 3.59% from ₹ 184.33 million in Fiscal 2019 to ₹ 190.95 million in Fiscal 2020, due to the company opening seven new showrooms; Repairs and maintenance expenses of buildings or leasehold improvements that increased by 33.69% from ₹ 2.82 million in Fiscal 2019 to ₹ 3.77 million in Fiscal 2020. There was also an increase in bank charges by 20.17% from ₹ 211.11 million in Fiscal 2019 to ₹ 253.68 million in Fiscal 2020 due to regrouping policies, as well as in legal and professional charges, by 30.78% from ₹ 47.01 million in Fiscal 2019 to ₹ 61.48 million in Fiscal 2020 on account of legal fees payable for ITSC application, an increase in expenditure incurred for Corporate Social Responsibility from ₹ 60.00 million in Fiscal 2019 to ₹ 66.30 million in Fiscal 2020, and finally, an increase in miscellaneous expenses by 74.31% from ₹ 77.53 million in Fiscal 2019 to ₹ 135.14 million in Fiscal 2020 on account of the company opening seven branches.

Profit Before Tax

For the reasons discussed above, profit before tax was ₹ 3,269.98 million in Fiscal 2019 compared to a profit of ₹ 3,478.50 million in Fiscal 2020.

Tax Expense

There is an increase in current tax expenses, from ₹ 1,385.00 million in Fiscal 2019 to ₹ 1,469.86 million in Fiscal 2020, and tax expense relating to prior years increased from ₹ 858.25 million in Fiscal 2019 to ₹ 1,919.86 million in Fiscal 2020 This is partially offset by a decrease in deferred tax benefit, from ₹ (134.65) million in Fiscal 2019 to ₹ (318.27) million in Fiscal 2020. As a result, total tax expense increased by 45.66%, from ₹ 2,108.60 million in Fiscal 2019 to ₹ 3,071.45 million in Fiscal 2020.

Profit for the period

We recorded a profit for the period of ₹ 1,161.38 million in Fiscal 2019 compared to a profit of ₹ 407.05 million in Fiscal 2020.

Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA)

EBITDA was ₹ 6,488.56 million in Fiscal 2020 compared to EBITDA of ₹ 5,876.76 million in Fiscal 2019, while EBITDA Margin was 8.09% in Fiscal 2020 compared to 7.26% in Fiscal 2019.

For reconciliation of EBITDA and EBITDA Margin, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Results of Operations – Non GAAP Measures - Reconciliation of EBITDA and EBITDA Margin to Restated (Loss) / Profit after Tax*” on page 260.

LIQUIDITY AND CAPITAL RESOURCES

We have historically financed the expansion of our business and operations primarily through internal accruals. From time to time, we may obtain loan facilities to finance our short-term working capital requirements.

CASH FLOWS

The following table sets forth certain information relating to our cash flows in the periods indicated:

Particulars	Fiscal			Six months ended September 30,	
	2019	2020	2021	2020	2021
	(₹ million)				
Net cash from/ (used in) operating activities	2,388.72	(339.14)	3,308.86	1,373.37	250.07
Net cash from/ (used in) investing activities	(517.07)	(489.31)	(386.90)	09.44	(224.77)
Net cash from/ (used in) financing activities	(2,114.96)	685.66	(2,576.13)	(906.62)	(92.19)
Net increase/ (decrease) in cash and cash equivalents	(243.31)	(142.79)	345.83	476.19	(66.89)
Cash and cash equivalents at the end of the period/ year	554.84	412.05	757.88	888.24	690.99

Operating Activities

Six months ended September 30, 2021

In the six months ended September 30, 2021, net cash from operating activities was ₹ 250.07 million. Profit before tax for the year was ₹ 3,600.51 million in the six months ended September 30, 2021 and adjustments to reconcile profit before tax to operating profit before working capital changes primarily consisted of depreciation and amortisation expense of ₹ 541.29 million; finance costs of ₹ 847.03 million; and provision on slow moving inventory of ₹ 87.37 million. This was partially offset by adjustments for interest income of ₹ 7.12 million, provisions no longer required written back of ₹ 102.91 million, gain on rent concession of ₹ 111.22 million, and interest income under the effective interest method on lease deposits of ₹ 9.62 million.

The main working capital adjustments in the six months ended September 30, 2021 included an increase in non-current assets of ₹ 2.19 million, increase in trade receivables of ₹ 54.28 million, increase in inventories of ₹ 5,202.98 million, increase in loans and other financial assets and other assets of ₹ 784.24 million. This was partially offset by adjustments for increase in current liabilities of ₹ 2,673.60 million and increase in trade payables of ₹ 23.53 million. Cash generated from operations in the six months ended September 30, 2021 amounted to ₹ 1,457.34 million. Income tax paid amounted to ₹ 1,207.27 million.

Six months ended September 30, 2020

In the six months ended September 30, 2020, net cash from operating activities was ₹ 1,373.37 million. Profit before tax for the year was ₹ 3,320.70 million in the six months ended September 30, 2020 and adjustments to reconcile profit before tax to operating profit before working capital changes primarily consisted of depreciation and amortisation expense of ₹ 670.32 million; finance costs of ₹ 970.01 million; and provision on slow moving inventory of ₹ 641.35 million. This was partially offset by adjustments for gain on rent concession of ₹ 154.10 million, and interest income of ₹ 4.08 million.

The main working capital adjustments in the six months ended September 30, 2020 included decrease in inventories of ₹ 668.37 million, decrease in gold on loan of ₹ 691.51 million, decrease in trade payables of ₹ 2,802.37 million, decrease in current liabilities of ₹ 1,076.12 million, and increase in financial liabilities and provisions of ₹ 6.33 million. This was partially offset by adjustments for increase in non-current assets of ₹ 3.01 million and decrease in trade receivables of ₹ 52.26 million. Cash generated from operations in the six months ended September 30, 2020 amounted to ₹ 1,774.16 million. Income tax paid amounted to ₹ 400.79 million.

Fiscal 2021

In Fiscal 2021, net cash from operating activities was ₹ 3,308.86 million. Profit before tax for the year was ₹ 6,369.24 million in Fiscal 2021 and adjustments to reconcile profit before tax to operating profit before working capital changes primarily consisted of depreciation and amortisation expense of ₹ 1,252.28 million; finance costs of ₹ 1,898.58 million; and provision on slow moving inventory of ₹ 656.54 million. This was partially offset by adjustments for interest income of ₹ 9.81 million and interest income under the effective interest method on lease deposits of ₹ 17.46 million. The main working capital adjustments in Fiscal 2021 included an increase in inventories of ₹ 5,085.75 million, an increase in trade payables of ₹ 1,328.81 million. Cash generated from operations in Fiscal 2021 amounted to ₹ 5,026.38 million. Income tax paid amounted to ₹ 1,717.52 million.

Fiscal 2020

In Fiscal 2020, net cash used in operating activities was ₹ 339.14 million. Profit before tax for the year was ₹ 3,478.50 million in Fiscal 2020 and adjustments to reconcile profit before tax to operating profit before working capital changes primarily consisted of depreciation and amortisation expense of ₹ 1,019.57 million; finance costs of ₹ 3,399.40 million; and provision on slow moving inventory of ₹ 502.38 million.

The main working capital adjustments in Fiscal 2020 included an increase in inventories of ₹ 5,876.54 million, and decrease in gold on loan of ₹ 506.90 million. This was partially offset by adjustments for increase in trade payables of ₹ 2,167.62 million and a decrease in financial liabilities and provisions of ₹ 2.54 million. Cash generated from operations in Fiscal 2020 amounted to ₹ 4,334.21 million. Income tax paid amounted to ₹ 4,673.35 million.

Fiscal 2019

In Fiscal 2019, net cash from operating activities was ₹ 2,388.72 million. Profit before tax for the year was ₹ 3,269.98 million in Fiscal 2019 and adjustments to reconcile profit before tax to operating profit before working capital changes primarily consisted of depreciation and amortisation expense of ₹ 848.77 million and finance costs of ₹ 2,065.93 million. This was partially offset by adjustments for interest income under the effective interest method on lease deposits of ₹ 45.75 million.

The main working capital adjustments in Fiscal 2019 included decrease in trade payables of ₹ 1,300.32 million, increase in non-current assets of ₹ 135.95 million, increase in trade receivables of ₹ 159.12 million, increase in inventories of ₹ 721.13 million and decrease in financial liabilities and provisions of ₹ 5.87 million. This was partially offset by adjustments for decrease in loans and other financial assets and other assets of ₹ 178.07 million; increase in current liabilities of ₹ 722.09 million. Cash generated from operations in Fiscal 2019 amounted to ₹ 4,111.73 million. Income tax paid amounted to ₹ 1,723.01 million.

Investing Activities

Six months ended September 30, 2021

Net cash used in investing activities was ₹ 224.77 million in the six months ended September 30, 2021, primarily on account of purchase of property, plant and equipment of ₹ 260.28 million. This was partially offset by interest received of ₹ 8.44 million, proceeds on maturity of fixed deposits of ₹ 24.96 million, and proceeds from sale of property, plant and equipment of ₹ 2.11 million.

Six months ended September 30, 2020

Net cash generated from investing activities was ₹ 9.44 million in the six months ended September 30, 2020, primarily on account of proceeds from sale of property, plant and equipment of ₹ 0.81 million, interest received of ₹ 3.29 million and proceeds on maturity of fixed deposits of ₹ 87.61 million. This was partially offset by purchase of property, plant and equipment of ₹ 82.27 million.

Fiscal 2021

Net cash used in investing activities was ₹ 386.90 million in Fiscal 2021, primarily on account of purchase of property, plant and equipment of ₹ 272.68 million and placement of fixed deposits of ₹ 121.43 million. This was partially offset by interest received of ₹ 4.64 million and proceeds from sale of property, plant and equipment of ₹ 2.57 million.

Fiscal 2020

Net cash used in investing activities was ₹ 489.31 million in Fiscal 2020, primarily on account of purchase of property, plant and equipment of ₹ 476.84 million, and placement of fixed deposits of ₹ 44.39 million. This was partially offset by interest received of ₹ 24.13 million and proceeds from sale of property, plant and equipment of ₹ 7.79 million.

Fiscal 2019

Net cash used in investing activities was ₹ 517.07 million in Fiscal 2019, primarily on account of purchase of property, plant and equipment of ₹ 526.19 million. This was partially offset by interest received of ₹ 3.10 million and proceeds from sale of property, plant and equipment of ₹ 5.98 million.

Financing Activities

Six months ended September 30, 2021

Net cash used in financing activities was ₹ 92.19 million in the six months ended September 30, 2021, primarily on account of finance cost paid of ₹ 570.58 million, repayment of long-term borrowings of ₹ 337.13 million, principal payment of lease liabilities of ₹ 22.88 million and interest payment of lease liabilities of ₹ 276.38 million. This was partially offset by proceeds from short term borrowings of ₹ 1,114.78 million.

Six months ended September 30, 2020

Net cash used in financing activities was ₹ 906.62 million in the six months ended September 30, 2021, primarily on account of finance cost paid of ₹ 712.59 million, repayment of long-term borrowings of ₹ 174.85 million, repayment of short-term borrowings of ₹ 379.56 million, and interest payment of lease liabilities of ₹ 239.62 million. This was partially offset by proceeds from long term borrowings of ₹ 600.00 million.

Fiscal 2021

Net cash used in financing activities was ₹ 2,576.12 million in Fiscal 2021, primarily on account of finance cost paid of ₹ 1,318.91 million, repayment of long-term borrowings of ₹ 429.39 million, repayment of short-term borrowings of ₹ 816.28 million, principal payment of lease liabilities of ₹ 13.87 million and interest payment of lease liabilities of ₹ 527.68 million. This was partially offset by proceeds from long term borrowings of ₹ 530.00 million.

Fiscal 2020

Net cash generated from financing activities was ₹ 685.66 million in Fiscal 2020, primarily on account of proceeds from long-term borrowings of ₹ 567.00 million and proceeds from short-term borrowings of ₹ 2,550.99 million. This is partially offset by finance cost paid of ₹ 1,412.45 million, repayment of long-term borrowings of ₹ 262.20 million, principal payment of lease liabilities of ₹ 194.49 million and interest payment of lease liabilities of ₹ 563.19 million.

Fiscal 2019

Net cash used in financing activities was ₹ 2,114.96 million in Fiscal 2019, primarily on account of finance cost paid of ₹ 1,293.59 million, repayment of long-term borrowings of ₹ 255.35 million, repayment of short-term borrowings of ₹ 402.89 million, principal payment of lease liabilities of ₹ 152.22 million and interest payment of lease liabilities of ₹ 463.91 million. This was partially offset by proceeds from long-term borrowings of ₹ 453.00 million.

INDEBTEDNESS

As of September 30, 2021, we had total borrowings (consisting of current and non-current borrowings) of ₹15,285.18 million. Our gross debt to equity ratio was 0.77 as of September 30, 2021. For further information on our indebtedness, see “*Financial Indebtedness*” on page 282.

The following table sets forth certain information relating to our outstanding indebtedness as of September 30, 2021, and our repayment obligations in the periods indicated:

Particulars	As of September 30, 2021				
	Payment due by period				
	(₹ million)				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Long Term Borrowings					
Term loans (secured)	824.26	573.80	250.46	-	-
Term loans (unsecured)	-	-	-	-	-
Total long term borrowings (including current maturities)	824.26	573.80	250.46	-	-
Short Term Borrowings					

Particulars	As of September 30, 2021				
	Payment due by period				
	(₹ million)				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Secured	12066.35	12066.35	-	-	-
Unsecured	2,394.57	2394.57	-	-	-
Total Short Term Borrowings	14,460.92	14,460.92	-	-	-
Total Borrowings	15,285.18	15,034.72	250.46	-	-

CONTINGENT LIABILITIES AND OFF-BALANCE SHEET ARRANGEMENTS

As of September 30, 2021, our contingent liabilities as per Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets, that have not been provided for were as follows:

Particulars	Amount
	(₹ million)
Contingent Liabilities	
Claims against the Company not acknowledged as debts	
– On sales tax and entry tax related matters	1,031.14
– On service tax related matters	1.94
– On Customs duty related matters	2.20
– On income tax related matters	104.30
Total	1139.58

For further information on our contingent liabilities, see “*Financial Statements*” on page 182.

Except as disclosed in the Restated Financial Information or elsewhere in this Draft Red Herring Prospectus, there are no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that we believe are material to investors.

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

The following table sets forth certain information relating to future payments due under known contractual commitments as of September 30, 2021, aggregated by type of contractual obligation:

Particulars	As of September 30, 2021			
	Payment due by period			
	(₹ million)			
	Total	Less than 1 year	1-2 years	More than 2 years
Long Term Borrowings				
Long term borrowings	250.46	Nil	211.45	39.01
Lease liabilities	5,847.52	286.60	287.69	5,273.23
Trade Payables	6,707.76	6,569.17	89.33	49.26
Short term borrowings	15,034.72	15,034.72	Nil	Nil
Other financial liabilities	24.08	24.08	Nil	Nil
Total	27,864.54	21,914.57	588.47	5361.50

For further information on our capital and other commitments, see “*Financial Statements*” on page 182.

CAPITAL EXPENDITURES

In Fiscal 2019, 2020 and 2021 and in the six months ended September 30, 2020 and September 30, 2021, our capital expenditure towards additions to fixed assets (property, plant and equipment’s and intangible assets) and capital work-in-progress (net additions/transfers) were ₹ 418.22 million, ₹ 541.02 million, ₹ 237.37 million, ₹ 87.72 million and ₹ 162.39 million, respectively. The following table sets forth our gross block of fixed assets for the periods indicated:

Particulars	Fiscals			Six months ended September 30,	
	2019	2020	2021	2020	2021
	(₹ million)				
Property, plant and equipment	2,833.80	3,515.19	3,728.78	3,599.24	3,978.78
Intangible Assets	2.15	2.15	2.15	2.15	2.15
Capital Work in Progress (net additions/transfers)	282.30	116.22	99.40	118.18	-
Total	3,118.25	3,633.56	3,830.33	3,719.59	3,980.93

For further information, see “Financial Statements” on page 182.

RELATED PARTY TRANSACTIONS

We enter into various transactions with related parties in the ordinary course of business. These transactions principally include remuneration to executive Directors and Key Managerial Personnel, loan written off, advances given, sale of finished goods and subcontracting charges. For further information relating to our related party transactions, see “Financial Statements – Note 34: Related party disclosures” on page 235.

In Fiscals 2019, 2020 and 2021, the six months ended September 30, 2020 and September 30, 2021, the aggregate amount of such related party transactions was ₹ 357.86 million, ₹436.95 million, ₹286.13 million, ₹81.12 million and ₹111.79 million, respectively. The percentage of the aggregate value of such related party transactions to our revenue from operations in Fiscals 2019, 2020 and 2021, the six months ended September 30, 2020 and September 30, 2021 was 0.44%, 0.54%, 0.35%, 0.39% and 0.28%, respectively.

AUDITOR’S OBSERVATIONS

Our Statutory Auditors have included certain emphasis of matters in relation to our Company in our Restated Financial Information:

As of and for the six months ended September 30, 2021

“We draw attention to the following matter in the Notes to the Special Purpose Interim Financial Statements

Note 29(ii) to the Special Purpose Interim financial statements which states that income voluntarily offered for the assessment years from 2009-2010 to 2018-2019 consequent to search proceedings under section 132 of the Income Tax Act 1961. The company has made provision for taxation including interest in above respect in the earlier years. As stated, in the note any additional income tax, interest liability and other charges cannot be determined until the proceedings are complete.

As of and for the six months ended September 30, 2020

“We draw attention to the following matter in the Notes to the Special Purpose Interim Financial Statements

Note 30(ii) to the Special Purpose Interim financial statements which states that income voluntarily offered for the assessment years from 2009-2010 to 2018-2019 consequent to search proceedings under section 132 of the Income Tax Act 1961. The company has made provision for taxation including interest in above respect in the earlier years. As stated, in the note any additional income tax, interest liability and other charges cannot be determined until the proceedings are complete.

As of and for the year ended March 31, 2021

“We draw attention to the following notes to the financial statements:

- (i) Note 30(ii) to the financial statements which states that income voluntarily offered for the assessment years from 2009-2010 to 2018-2019 consequent to search proceedings under section 132 of the Income Tax Act, 1961. The Company has made provision for taxation including interest in above respect in the earlier years. As stated, in the note any additional income tax, interest liability and other charges cannot be determined until the proceedings are complete.*
- (ii) Note 39 to the financial statements which states that the management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the year ended March 31, 2021 and has concluded that there is no impact which is required to be recognized in the financial statements. Accordingly, no adjustments have been made to the financial statements.*

As of and for the year ended March 31, 2020

“We draw attention to the following notes to the financial statements:

- (i) *Note 30(ii) to the financial statements which states that income voluntarily offered for the assessment years from 2009-2010 to 2018-2019 consequent to search proceedings under section 132 of the Income Tax Act 1961. The company has made provision for taxation including interest in above respect. As stated in therein in the note the Company's Settlement Petition has been admitted by the Income tax Settlement Commission by their order dated January 13, 2020 and further proceedings for final determination of the tax liability for the above years is pending.*
- (ii) *Note 38 to the financial statements which states that the management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the year ended March 31, 2020 and has concluded that there is no impact which is required to be recognized in the financial statements. Accordingly, no adjustments have been made to the financial statements.”*

Except as stated above have been no reservations/ qualifications or adverse remarks/ emphasis of matter highlighted by our statutory auditors in their auditor’s reports on the audited financial statements as of and for the years ended March 31, 2019, 2020 and 2021, and in the six months ended September 30, 2020 and September 30, 2021.

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

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Our Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. We believe that our working capital is sufficient to meet our current 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 enters 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, primarily with respect to US Dollar and UAE Dirham. 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.

UNUSUAL OR INFREQUENT EVENTS OR TRANSACTIONS

Except as described in this Draft Red Herring Prospectus, to our knowledge, there have been no unusual or infrequent events or transactions that have in the past or may in the future affect our business operations or future financial performance.

SIGNIFICANT ECONOMIC CHANGES THAT MATERIALLY AFFECT OR ARE LIKELY TO AFFECT INCOME FROM CONTINUING OPERATIONS

Our business has been subject, and we expect it to continue to be subject, to significant economic changes that materially affect or are likely to affect income from continuing operations identified above in "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Results of Operations*" and the uncertainties described in "*Risk Factors*" on pages 248 and 19, respectively.

KNOWN TRENDS OR UNCERTAINTIES

Our business has been subject, and we expect it to continue to be subject, to significant economic changes arising from the trends identified above in "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Results of Operations*" and the uncertainties described in "*Risk Factors*" on pages 248 and 19, respectively. To our knowledge, except as discussed in this Draft Red Herring Prospectus, there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

FUTURE RELATIONSHIP BETWEEN COST AND INCOME

Other than as described in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 19, 129 and 246 respectively, to our knowledge there are no known factors that may adversely affect our business prospects, results of operations and financial condition.

NEW PRODUCTS OR BUSINESS SEGMENTS

Except as set out in this Draft Red Herring Prospectus, we have not announced and do not expect to announce in the near future any new business segments.

COMPETITIVE CONDITIONS

We operate in a competitive environment. See "*Risk Factors*", "*Industry Overview*", "*Our Business*" and on pages 19, 96 and 129, respectively, for further details on competitive conditions that we face across our various business segments.

EXTENT TO WHICH MATERIAL INCREASES IN NET SALES OR REVENUE ARE DUE TO INCREASED SALES VOLUME, INTRODUCTION OF NEW PRODUCTS OR SERVICES OR INCREASED SALES PRICES

Changes in revenue in the last three Fiscals and six months ended September 30, 2021 and September 30, 2020 are as described in “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Six Months ended September 30, 2021 compared to Six Months ended September 30, 2020*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Fiscal 2021 compared to Fiscal 2020*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Fiscal 2020 compared to Fiscal 2019*” above on pages 264 and 270, respectively.

SEGMENT REPORTING

Our business activity primarily falls within a single business, i.e. jewellery business consisting of manufacturing and selling of jewellery and hence there are no separate reportable segments as per Ind AS 108. For further information, see “*Financial Statements – Note 35*” on page 237.

SIGNIFICANT DEPENDENCE ON SINGLE OR FEW CUSTOMERS

Given the nature of our business operations, we do not believe our business is dependent on any single or a few customers.

SEASONALITY/ CYCLICALITY OF BUSINESS

Our business exhibits seasonality with relatively higher revenues recorded during the festive periods compared to other periods. For further information, see “*Risk Factors – Our business is subject to seasonality. Lower revenues in the festive period of any Fiscal may adversely affect our business, financial condition, results of operations and prospects.*” on page 39.

SIGNIFICANT DEVELOPMENTS AFTER SEPTEMBER 30, 2021 THAT MAY AFFECT OUR FUTURE RESULTS OF OPERATIONS

Except as disclosed in this Draft Red Herring Prospectus, there have been no significant developments after September 30, 2021 that may affect our future results of operations.

CAPITALISATION STATEMENT

The following table sets forth our Company's capitalisation as at September 30, 2021, derived from our Restated Financial Information, and as adjusted for the Issue. This table should be read in conjunction with "Risk Factors", "Financial Statements", "Management's Discussion and Analysis of Financial Condition and Results of Operations", on pages 19, 182 and 246, respectively.

(₹ in million)

Particulars	Pre-Issue as at September 30, 2021	Post Issue
Borrowings		
Current borrowings (I)*	15,034.72	[●]
Non-current borrowings (II)	250.46	[●]
Total borrowings (A=I+II)*	15,285.18	[●]
Equity		
Equity share capital*	700.34	[●]
Other equity*	19,167.01	[●]
Total Equity (B)	19,867.35	[●]
Non-current borrowings/ equity ratio (C=II/B)	0.01	[●]
Total borrowings / total equity (D=A/B)	0.77	[●]

* These terms shall carry the meaning as per Schedule III of the Companies Act.

Notes:

1. The amounts disclosed above are derived from Restated Financial Information of our Company.
2. The corresponding post-Issue capitalization data for each of the amounts given in the above table is not determinable at this stage pending the completion of the Book Building process and hence the same have not been provided in the above statement.
3. Subsequent to September 30, 2021, on October 18, 2021, our Company issued bonus equity shares in the ratio of 10:1 to the existing equity shareholders.

FINANCIAL INDEBTEDNESS

Our Company avails loans in the ordinary course of business to meet our working capital and operational requirements, and for general corporate purposes. For details regarding the borrowing powers of our Board, see “*Our Management - Borrowing Powers of Board*” on page 162.

Set forth below is a brief summary of our aggregate borrowings as of February 28, 2022:

Category of borrowings	Sanctioned amount	Outstanding amount
<i>(in ₹ million)</i>		
Secured		
Term loan	2,270.00	773.18
Cash credit and overdraft	245.00	83.57
Short term loan	13,335.00	11,731.59
Unsecured		
Vendor bill discounting	2,855.00	2,656.31
Total	18,705.00	15,244.65

**As certified by the Independent Chartered Accountant pursuant to their certificate dated March 25, 2022.*

Principal terms of the facilities sanctioned to our Company:

1. **Interest:** In respect of the facilities sanctioned to our Company, the interest rate ranges from 6.95% per annum to 11.75% per annum. The interest rate for the loans sanctioned to our Company is typically tied to a base rate / marginal cost of lending rate, which may vary from lender to lender.
2. **Tenor:** Typically, the tenor of the facilities sanctioned to our Company are as follows:
 - a) Loans (including terms loans) under the multi-banking arrangement (“**MBA**”): one year to four years
 - b) Term loans outside the MBA: two to five years;
 - c) Other loans and facilities outside the MBA: one to four years; and
 - d) Vendor bill discounting: 90 days.
3. **Security:** The facilities sanctioned are typically secured by way of mortgage on specified property of our Company, the Promoter and certain members of the Promoter Group, charge on movable assets (including inventory), personal guarantees of the Promoter, his wife, Jolly Joy and his daughter, Mary Jeny Joy, corporate guarantees provided by certain entities forming part of the Promoter Group, lien on fixed deposits and post-dated cheques. The nature of securities described herein is indicative and there may be additional requirements for creation of security under the various borrowing arrangements entered into by our Company.
4. **Pre-payment:** The facilities availed by our Company allow pre-payment. Certain facilities allow for pre-payment of the outstanding amount by serving prior notice to the lender. Pre-payment may be subject to pre-payment penalties as may be prescribed. These pre-payment penalties typically range from 0.25% to 4.00% of the principal amount or of the amount being prepaid.
5. **Re-payment:** Our Company may repay all amounts of the facilities on the due dates for payment. Certain of our loans are repayable on demand.
6. **Events of Default:** Borrowing arrangements entered into by our Company contain standard events of default, including, among others:
 - a) failure or inability to pay outstanding principal and interest amounts on due dates;
 - b) providing incorrect or misleading information and representations;
 - c) providing inadequate security or insurance;
 - d) liquidation or dissolution of our Company;
 - e) downgrading of external credit rating of our Company;
 - f) cessation or change in business or control of our Company;
 - g) cross default; and

h) default in the performance of any covenant, condition or undertaking on our part.

This is an indicative list and there may be additional terms that may amount to an event of default under the borrowing arrangements entered into by our Company.

7. **Consequences of occurrence of events of default:** In terms of our borrowing arrangements, the following, among others, are the consequences of occurrence of events of default, whereby the lenders may:

- a) terminate and cancel either whole or part of the facility;
- b) suspend further access/ draws, either in whole or in part, of the facility;
- c) appoint a nominee director on the Board;
- d) impose a monetary penalty;
- e) enforce security;
- f) publish information including photographs of the Company and its Directors and guarantors in case of wilful default; and
- g) accelerate repayments/ initiate recall of the loans.

8. **Restrictive Covenants:** The facilities sanctioned to our Company contain certain restrictive covenants, which require prior written consent of the lender or prior intimation to be made to the lender, including:

- a) change in capital structure of our Company, or undertaking schemes of amalgamation or reconstruction or capital expenditure;
- b) undertaking any scheme of expansion or acquisition;
- c) invest in, extend any advance or loans, to any group companies or other related parties;
- d) substantial change in the general nature of our business, including diversification into non-core areas of business;
- e) change in our constitution, structure, members, management and ownership;
- f) carrying out amendments to our memorandum and articles of association;
- g) repayment of unsecured loans and advances from the Promoter, Directors or group companies; and
- h) declaration or payment of dividends, or authorising or making any distribution to the Shareholders, in case of delays in debt servicing or breach of financial covenants.

This is an indicative list and there may be such other additional terms under the borrowing arrangements entered into by our Company. We are also required to keep our lenders informed of any event likely to have a substantial effect on our business.

For the purpose of the Issue, our Company has obtained the necessary consents from our lenders as required under the relevant borrowing arrangements for undertaking activities relating to the Issue, such as, *inter alia*, effecting changes to our shareholding and making amendments to our memorandum and articles of association.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as disclosed in this section, there is no outstanding (i) criminal proceeding; (ii) action taken by regulatory or statutory authorities; (iii) claim related to direct and indirect taxes; and (iv) other pending litigation as determined to be material as per the Materiality Policy adopted pursuant to the Board resolution dated December 8, 2021, in each case involving our Company, Promoter and Directors (“**Relevant Parties**”). There are no disciplinary actions including penalties imposed by SEBI or the Stock Exchanges against our Promoter in the last five financial years including any outstanding action. Further, except as stated in this section there are no pending litigation involving our Group Companies which has a material impact on our Company.

For the purpose of identification of material litigation in (iv) above, our Board has considered and adopted the following policy on materiality with regard to outstanding litigation in relation to the Relevant Parties to be disclosed in this Draft Red Herring Prospectus pursuant to the Board resolution dated December 8, 2021:

All outstanding litigation, including any litigation involving the Relevant Parties, other than criminal proceedings, actions by regulatory authorities and statutory authorities, disciplinary action including penalty imposed by SEBI or the Stock Exchanges against the Promoter in the last five financial years including any outstanding action and tax matters (direct or indirect), would be considered ‘material’ if: (i) the monetary amount of claim by or against the entity or person in any such pending proceeding is in excess of 1.00% of the profit after tax of our Company for the last completed Fiscal as per the Restated Financial Information, i.e. ₹47.17 million, being 1.00% of the profit after tax of our Company for the Fiscal 2021; or (ii) where monetary liability is not quantifiable, or any other outstanding litigation, the outcome of any such pending proceedings may have a material bearing on the business, operations, performance, prospects or reputation of the Company or where decision in one case is likely to affect the decision in similar cases even though the amount involved in an individual litigation is below threshold above.

It is further clarified that for the purposes of the above, pre-litigation notices received by any of the Relevant Parties from third parties (excluding such notices issued by statutory/regulatory/governmental/taxation authorities) shall, unless otherwise decided by our Board, not be considered as material until such time that the Relevant Parties are impleaded as defendants or respondents in litigation proceedings before any judicial forum.

Except as stated in this section, there are no material outstanding dues to creditors of our Company. For this purpose, our Board has pursuant to the Board resolution dated December 8, 2021, considered and adopted a policy of materiality for identification of material outstanding dues to creditors. In terms of this Materiality Policy, outstanding dues to any creditor of the Company having a monetary value which exceeds 2.00% of the total trade payables of our Company as on the date of the latest Restated Financial Information (including for the stub period), shall be considered as ‘material’. Accordingly, as on September 30, 2021, any outstanding dues exceeding ₹134.16 million have been considered as material outstanding dues for the purposes of disclosure in this section. For outstanding dues to any micro, small or medium enterprise, the disclosure shall be based on information available with our Company regarding the status of the creditor as defined under the Micro, Small and Medium Enterprises Development Act, 2006 as amended, read with the rules and notification thereunder.

Litigation involving our Company

Litigation against our Company

Civil Litigation

Nil

Criminal Litigation

1. A criminal complaint dated September 30, 2015 (“**Complaint**”) has been filed by Bobba Prasad (“**Complainant**”) against our Company, our Promoter and certain other individuals (collectively the “**Accused**”) before the XIV Additional Chief Metropolitan Magistrate, Nampally, Hyderabad (“**CMM**”), on the grounds that fraud and mischief was committed by the Accused to defraud the Complainant. Pursuant to the Complaint, it was submitted that B. Raja Sekhar, one of the accused individuals and the Complainant are brothers, and both incorporated a private limited company, having 50% share each, to carry a business of hospitality and other allied activities (the “**Relevant Company**”). The Complainant *inter alia* alleged that B. Raja Sekhar conspired with the company secretary of the Relevant Company, another accused individual and amongst other things, created false board resolutions by forging the signatures of the Complainant and disposed 885 square yards of land belonging to the Relevant Company (“**Subject Property**”) without the consent of the Complainant and in that process approached our Promoter for financial support and in consideration thereto, B. Raja Sekhar agreed to dispose the said land in favour of our Promoter. The Complainant also alleged that all the funds paid

to the Relevant Company have been routed back to our Promoter and the Complainant lost his right over the Subject Property. Subsequently, the Panjagutta Police Station, Hyderabad filed a charge sheet dated May 23, 2015 before the CMM under Section 173 of the CrPC confirming that there has been fraud committed in disposing of the said Subject Property. Pursuant to its order dated January 2, 2016, the CMM dismissed the Complaint holding that the matter is civil in nature and no ingredient is found to attract offence under Sections 420, 468, 471 and 120-B of the IPC (“**Order**”). Subsequently, the Complainant filed a criminal revision petition dated August 23, 2017 before the Additional Metropolitan Sessions Judge, Hyderabad (“**AMSJ**”) challenging the Order on the grounds that it is erroneous and the offence of forgery, cheating and tampering cannot be ignored without punishing the Accused. The AMSJ, pursuant to its order dated September 13, 2017, allowed the criminal revision petition and set aside the Order and directed the CMM to consider the documents marked in the statement of the Complainant and pass the appropriate order. This matter is currently pending. The Complainant has also filed a memorandum of writ petition against our Promoter and others in relation to this matter. For details, please see “- *Litigation against Alukkas Varghese Joy – Civil Litigation*” on page 289.

Actions Taken by Regulatory and Statutory Authorities

1. The RBI vide its letter dated November 18, 2005, had requested the Company for details of the investments by the non-resident Indians (“**NRIs**”) on non-repatriation basis. In its response vide letter dated December 15, 2005, our Company provided details of the money brought in by NRIs as investment in the Company on non-repatriation basis, including the amount used towards share application money and amount used as unsecured loans. The RBI, pursuant to a letter dated December 20, 2005 (“**December 2005 RBI Letter**”), observed that our Company had not furnished the details as required by the RBI pursuant to its letter dated November 18, 2005. The RBI further observed that the amount of unsecured loan received from the NRIs as reported in our Company’s letter dated September 8, 2005 was ₹350.00 million, whereas the revised figure reported subsequently in our Company’s letter dated December 15, 2005 was ₹373.63 million. The RBI advised the Company to explain the difference in the amount of unsecured loan. The Company vide its letter filed with the RBI in January 2006 had clarified that the difference between the unsecured loans reported received by the Company was on account of the difference in treatment of the personal withdrawals of our Promoter and that the revised amount reported was the gross amount of the unsecured loan provided by our Promoter to the Company without adjusting his personal withdrawals. There has been no further communication from the RBI in relation to this matter.
2. Our Company had taken unsecured loans from our Promoter in several tranches during the period over Fiscal 2003 to Fiscal 2011. As per Regulation 5 of the Foreign Exchange Management (Borrowing and Lending in Rupees) Regulations, 2000, a company incorporated in India may borrow rupee denominated funds from non-resident Indians through investments in non-convertible debentures (the “**NCDs**”) by way of a public offer, subject to the fulfilment of certain conditions. Accordingly, in respect of the unsecured loans availed by our Company from our Promoter, who was a non-resident Indian at the relevant period, our Company was required to issue NCDs by way of a public offer. Accordingly, our Company filed an application before the RBI for condonation of the aforementioned contravention vide our letter dated November 19, 2018. In our application for condonation to the RBI, we had stated that (i) the funds transferred by our Promoter were either from his non-resident external (“**NRE**”)/ non-resident ordinary rupee (“**NRO**”) account held in India or from his income earned locally in India, (ii) the entire investment by our Promoter into our Company was on non-repatriation basis, (iii) of the total amount of ₹1,025.85 million transferred by our Promoter to our Company, ₹499.90 million was capitalized into equity shares of our Company and ₹525.96 million was adjusted/repaid to our Promoter, and (iv) the amount repaid to our Promoter was not repatriated out of India and no interest was paid on such amount by our Company. Subsequently, the RBI pursuant to a letter dated December 24, 2018 rejected the application and stated that condonation is not permitted under the FEMA. The RBI also observed that transactions of receipt of funds of ₹525.96 million from the non-resident director during the period 2002-03 to 2010-11, without issuance of NCDs through public offer had resulted in contravention of Regulation 5(1)(i) and 5(1)(v)(B) of the Foreign Exchange Management (Borrowing and Lending in Rupees) Regulations, 2000. Further, our Company had inadvertently converted a portion of the aforementioned unsecured loan, aggregating to ₹499.90 million into equity and issued it to our Promoter (an NRI) without the prior written consent of the RBI. Our Company has filed a compounding application dated December 4, 2021 before the RBI for contravention of Regulations 5(1)(i) and 5(1)(v)(B) of the Foreign Exchange Management (Borrowing and Lending in Rupees) Regulations, 2000 in relation to the aforementioned failure to issue NCDs by way of public offer at the time of receipt of unsecured loan from our Promoter and any procedural lapse under the FEMA pursuant to the conversion of a portion of the unsecured loans aggregating to ₹499.90 million to equity. This compounding application is currently pending before the RBI. Our Company, pursuant to its letter dated December 30, 2021, responded to the email dated December 13, 2021 from the Foreign Exchange Department, Central Office, RBI (the “**Foreign Exchange Department**”) and submitted *inter alia* the undertakings in relation to the investigations by the Directorate of Enforcement (“**DoE**”), the Central Bureau of Investigation, in the required standard format and copies of all correspondences with the DoE. Further, our Company pursuant to its letters dated January 11, 2022 and January 13, 2022 responded to the emails dated January 11, 2022 from the Foreign Exchange Department and submitted certain additional details in relation to the compounding of contravention relating to external commercial borrowing in the prescribed format and confirmation of delivery of the copies of all correspondences with the DoE. For details of potential

risk of such contravention and rejection of the compounding application, please see *“Risk Factors - There have been certain deficiencies in compliances with the FEMA regulations in relation to the unsecured loans received from our Promoter. Consequently, we may be subject to regulatory actions and penalties for such non-compliance which may adversely impact our business, financial condition and reputation.”* on page 23.

3. In relation to investigation under FEMA, the DoE has issued several letters of enquiries against our Company under Section 37 of the FEMA read with Section 133 of the IT Act since 2005-06 and summons to our Promoter, his wife, Jolly Joy, his son and our Non-Executive Director, John Paul Joy Alukkas, and certain employees /directors of our Company under Sections 37(1) and 37(3) of the FEMA read with Section 131(1) of the IT Act and Section 30 of the Code of Civil Procedure, 1908 from May 2018 to August 2021 (**“DoE Letters and Summons”**). Under the DoE Letters and Summons, our Company and/or our Promoter, Jolly Joy and John Paul Joy Alukkas were requested to furnish information and documents, including amongst other things, details of unsecured loans taken from directors and securities issued in relation to such loans; details of credit/inward remittance of the funds such as copies of foreign inward remittance certificate, details of purpose of remittance, details of its utilization and source of funds; copies of income tax returns; details of immovable properties purchased, sold or in their respective possessions; details of shares issued to our NRI directors and the corresponding Form FC-GPR filed before the RBI; copies of financial statements of our Company; details of NCDs issued by our Company; details of non-resident status of our Promoter, John Paul Joy Alukkas and Jolly Joy; branches of our Company outside India and details of funds remitted to Joyalukkas Holding Inc.; bank account details; and details of import of capital goods and exports by our Company. In response to these DoE Letters and Summons the required information and documents have been submitted to the DoE. Pursuant to letters dated June 20, 2018 and July 16, 2018, our Company *inter alia* provided details of shares of our Company issued to our Promoter on various dates. Further, pursuant to its letters dated October 31, 2018 and December 12, 2019, our Company clarified that there was no requirement to file Form FC-GPR since the investments were made on a non-repatriation basis by the NRI investor from the NRE/ NRO account maintained in India and the investment by an NRI on non-repatriation basis out of funds from NRE/NRO account will be deemed to be domestic investment at par with the investment made by residents. Separately, pursuant to the summons dated May 27, 2020 issued by the DoE to our Promoter, our Company submitted a letter dated June 3, 2020 to the DoE explaining the utilisation and purpose of the amounts remitted into the NRE account of our Promoter, source of funds of the unsecured loan given by our Promoter to our Company and the details of foreign inward remittances from our Promoter. Pursuant to the 21 summons issued in 2019 to our Promoter and certain employees of our Company, the DoE sought, among other things, their passport and bank account details, including of Joyalukkas Jewellery LLC, Dubai, which information was provided to the DoE. The DoE vide its summons dated August 27, 2021, sought among other things, the personal appearance of our Promoter before the DoE on September 8, 2021, details of the companies in which our Promoter is a director or partner and details of cash deposited by such companies during the period of demonetization. Pursuant to a letter dated September 29, 2021, our Promoter provided his reasons for non-appearance on September 8, 2021, expressed inability to appear before the DoE prior to December 15, 2021 and requested for an extension. For details of potential risk of such DoE Letters and Summons, please see *“Risk Factors - The Directorate of Enforcement (“DoE”) has initiated investigations against our Company and has issued summons to our Promoter, certain members of the Promoter Group and some of the employees of our Company directing them to provide information in relation to themselves, our Company and certain Promoter Group entities. The DoE may pass adverse adjudication orders against us or our Promoter which may adversely impact our business, our financial condition and our reputation.”* on page 24. There has been no further written communications from the DoE in relation to these matters.
4. In relation to an investigation under the Prevention of Money Laundering Act, 2002, the DoE has issued summons dated March 18, 2021 and March 22, 2021 under Section 50(2) and (3) of the Prevention of Money Laundering Act, 2002 to our Promoter and directed our Promoter to provide certain information including details of all purchases made and all cheques deposited by Sharmila, against whom our Company had filed an FIR. For details of the FIR filed by us against Sharmila please see *“- Litigation by our Company – Criminal Litigation”* on page 289. Our Company vide letter dated March 24, 2021 has requested for an extension on the date for personal appearance of our Promoter. This matter is currently pending.
5. A search under Section 132 of the IT Act was conducted at various business premises of our Company and the residential premises of our Promoter and Managing Director and other personnel on January 10, 2018 by the Income Tax Department (the **“ITD”**). Pursuant to the search conducted, the Assistant Director of Income Tax (Investigation-2), Kochi alleged that our Company was operating eight entities, being proprietary concerns in the name of its employees for various purposes and that our Company had provided certain amounts to such entities as contributions towards their capital balances out of additional income. Our Managing Director had deposed through his statements on March 8, 2018 and March 9, 2018 that the said entities were created and operated by our Company for the purpose of stock transfer from one state to another and that on their closure, the assets of such entities were transferred/to be transferred to our Company. Such transactions made by the Company were identified for action under the Prohibition of Benami Property Transaction Act, 1988 as amended by Benami Transactions (Prohibition) Amendment Act, 2016 (the **“PBPT Act”**). The Assistant Director of Income Tax (Div-2), Kochi of the ITD pursuant to a notice dated August 31, 2018 informed the

Assistant Commissioner of Income Tax, Benami Prohibition Unit, Kochi (the “**ACIT**”) that eight entities had been functioning as benami entities and the Company, being the beneficial owner, was liable for action under the PBPT Act along with the benamidars. Subsequently, the ACIT issued notices to the proprietors of each of the impugned entities under Section 24(1) of the PBPT Act alleging that they were “benamidars” under Sections 2(9)(A) and 2(26) of the PBPT Act, with one of the entities created and operated by the Company in the name of the proprietor for the purpose of accounting for gold ornaments purchased/ transported from Dubai and directing such proprietors to appear in person and show cause in writing as to why the capital balances in the accounts of such entities should not be considered “benami property”. The ACIT also issued a notice to our Company on March 6, 2019, directing our Company to furnish evidence in respect of the statement made by our Managing Director in his depositions, and such evidence was provided on March 14, 2019. The Initiating Officer, Kochi pursuant to its order dated March 27, 2019 under Section 24(4) of the PBPT Act held that our Company was the real/ beneficial owner of the eight entities and ordered provisional attachment of the property aggregating to ₹92.83 million (“**Provisional Attachment Order**”). Subsequently, under Section 71 of the PBPT Act, the Adjudicating Authority, Kochi pursuant to its order dated March 16, 2020 (“**Attachment Order**”) confirmed the Provisional Attachment Order and upheld that benamidar units are not functioning independently and they are working as units of beneficial owner which are subject matter of benami transactions. Our Company has filed an appeal under Section 46 of the PBPT Act against the Attachment Order before the Appellate Tribunal, Delhi (the “**Appellate Tribunal**”) on July 13, 2021 stating *inter alia* that the Attachment Order should be quashed since it was arbitrary and passed without reasoning or application of mind. The appeal is currently pending before the Appellate Tribunal. A show cause notice dated June 25, 2021 (“**SCN**”) under Section 55 of the PBPT Act was issued by Principal Director of Income Tax, Kochi stating that the Company would be liable for prosecution under Section 3(2) of the PBPT Act and to show cause as to why sanction should not be granted under Section 55 of the PBPT Act against our Company. Our Company has filed a reply dated July 14, 2021 to the SCN *inter alia* stating that sanction to initiate prosecution under the PBPT Act should not be granted till the matter is finally adjudicated by the Appellate Tribunal. While the appeal was pending before the Appellate Tribunal, our Company received further notices dated July 15, 2021 from the Principal Director of Income Tax (Investigation) (“**Notices**”) requiring our Company to appear before it on July 22, 2021 in connection with the prosecution proceeding initiated against our Company and stating that if the Company failed to appear then order under Section 55 of the PBPT Act granting sanction for launching prosecution under Section 53 of the PBPT Act shall be passed without providing any further opportunity in the matter. Our Company has filed a writ petition dated July 21, 2021 before the High Court *inter alia* seeking quashing of the Notices. The High Court pursuant to its interim order dated December 22, 2021 stayed further prosecution proceedings in relation to the Notices (“**Interim Order**”). Subsequently, the High Court pursuant to its order dated March 16, 2022 extended the Interim Order till March 25, 2022. Our Company has filed a writ petition dated March 25, 2022 before the High Court *inter alia* praying to extend the Interim Order. This matter is currently pending.

6. The Consumers Guidance Society, Vijayawada (the “**Society**”), a registered non-profit and non-government organization, issued a complaint letter dated May 7, 2019 against our Company and certain other jewellery companies for allegedly designing and implementing collective investment schemes and mobilising deposits thereunder in violation of Section 11AA of the SEBI Act, 1992, the provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 (the “**Deposit Rules**”). The RoC issued a notice dated June 21, 2019 to our Company requesting a response to the Society’s complaint and submit copies of supporting documents in relation to the allegations. Our Company, pursuant to its response dated July 5, 2019, stated that the Society’s letter was bereft of references to any specific wrongdoing or violation of law by the Company and that the Society had not highlighted any case of non-delivery of gold ornaments to the customers by our Company and that the amounts accepted by the Company were advances for the supply of goods within a period of 365 days from the date of such advances and accordingly, would not constitute “deposits” under the Deposit Rules. In light of the above, our Company requested that the complaint may be closed as it had been made without merit. A notice dated December 9, 2019 was issued by the RoC to our Company *inter alia* seeking details of the gold scheme announced by our Company in Fiscal 2019 and from April 1, 2019 until the date of the notice, and details of the customers who have defaulted in payment of instalments under these schemes. Pursuant to various correspondences with the RoC, our Company furnished the details of the gold purchase scheme and a report on ‘Easy Gold Purchase Scheme’ (“**Easy Gold Scheme**”) which undertakes advance payment for the supply of gold ornaments by way of its letters dated February 17, 2020, March 19, 2020 and July 16, 2020 respectively. Subsequently, a notice dated November 24, 2020 was issued by the RoC *inter alia* requesting our Company to furnish additional details including certificate from the statutory auditor citing that the amounts received as advances against supply of goods under the Easy Gold Scheme do not amount to deposits under the Deposit Rules. Our Company, pursuant to its letter dated March 19, 2021, provided the required certificate from the statutory auditor and other updates on the transactions. There has been no further communication from the RoC and this matter is currently pending.
7. The Deputy Director, Sub-Regional Office (Ernakulam), Employees’ State Insurance Corporation, Kaloor, Cochin (“**Deputy Director**”) has issued an order under Section 45-A of the Employees’ State Insurance Act, 1948, as amended, (the “**ESI Act**”) dated March 5, 2010 directing the Company to pay an amount of ₹1.17 million as contribution payable to employees for the period from 2003 to 2004 in accordance with Section 40 of the ESI Act read with Regulations 29 and 31 of the Employees’ State Insurance (General) Regulations. Our Company has made an application dated April 22,

2010 before the Employees' Insurance Court, Alappuzha ("**Court**") against the order passed by the Deputy Director. Our Company has contended that the contribution claimed by the Deputy Director is related to the actual costs incurred by our Company for the purchase of certain land and therefore it cannot be claimed as contribution. Our Company has prayed before the Court for directions to declare that it is not liable to pay an amount of ₹1.17 million as contribution and to set aside the order of the Deputy Director. Further, our Company prayed for an interim order to restrain the defendant from realizing the amounts claimed till the final disposal of the application made to the Court. The Court, pursuant to an order dated April 23, 2010, issued an interim stay against the Deputy Director's order subject to our Company depositing ₹0.20 million. Subsequently, the Court, pursuant to its order dated August 8, 2013, declared that the claims of contribution, towards making charges and expenses on land and building, amounting to ₹1.16 million are unsustainable and the claims of contribution, towards repair and maintenance and tress work, amounting to ₹0.004 million are sustainable ("**Order**"). Pursuant to this Order, the Deputy Director filed an insurance appeal dated January 6, 2014 under Section 82(2) of the ESI Act before the High Court *inter alia* alleging that the Order is against the law, facts and evidence in this case and challenging the substantiality of the same under the question of law. The Deputy Director also filed an application for condonation of delay in filing the above appeal dated January 6, 2014 before the High Court. This matter is currently pending.

Litigation by our Company

Civil Litigation

1. Our Company has filed a consumer complaint dated February 6, 2013 against New India Assurance Company Limited ("**Respondent**") before the National Consumer Disputes Redressal Commission, New Delhi ("**Commission**"), under Section 21 of the Consumer Protection Act, 1986. The Respondent provided our Company with jeweller's block policy for the cover period from March 31, 2010 to March 30, 2011, among other policies, in respect of its premises at Joy Alukkas Wedding Centre, High Court Junction, Ernakulam. On March 27, 2011, a fire occurred in the insured premises of our Company resulting in a loss aggregating to approximately ₹145.00 million. The Ernakulam Central Police Station registered an FIR dated March 27, 2011 and submitted its final report dated June 30, 2011 before the JFCM, Ernakulam stating that no further action would be taken since the fire was caused by sparking from electronic goods. The Respondent conducted survey and assessed the loss in the insured premises but did not communicate the status of the claim to our Company despite a representation and a reminder letter issued by our Company to release/ dispose of the damaged ornaments by way of public auction. Aggrieved by the Respondent's inaction, our Company filed a writ petition dated June 20, 2011 before the High Court *inter alia* requesting to issue a writ of mandamus and to release/dispose the ornaments worth ₹100.00 million damaged in the fire which were in the joint custody of our Company and the Respondent. The High Court disposed of the writ petition on August 2, 2011 directing the Respondent to pass an order on the representation letter of our Company. The Respondent made a part payment of ₹10.43 million on March 31, 2012 against a claim of ₹38.20 million. Our Company issued a notice to the Respondent on May 23, 2012 demanding the balance amount due under the jeweller's block and other insurance policies. The Respondent replied to such notice on June 11, 2012, stating that it would not entertain our Company's claims on account of certain exceptions in the relevant insurance policies taken by our Company. The consumer complaint has been filed on grounds of deficiency in service by the Respondent by inordinately delaying disposal of our claims. The Respondent filed a reply challenging the maintainability of the complaint and stating that there are no deficiencies in its service. This matter is currently pending before the Commission.
2. Our Company has filed a writ petition dated August 13, 2008 before the High Court against the State of Kerala and others challenging the amendment to Section 3 of the Kerala Shops and Commercial Establishments Workers Welfare Fund Act, 2006 (the "**Act**"). Our Company has contended that the amendment is unconstitutional as the additional burden made under the Act is similar in nature to the other sizeable contributions already being made. Further, our Company also submitted that imposing this burden retrospectively is unconstitutional. The Company has prayed before the High Court to issue appropriate directions quashing the amendment to Section 3 of the Act and to issue appropriate directions restraining the defendants from realizing any amounts or taking any further action against the Company. Our Company has filed an interim application dated January 4, 2010 seeking directions from the High Court to restrain the defendants from commencing proceedings for recovery of the amounts under the Act till the disposal of the writ petition filed by the Company. The High Court has issued an interim order dated January 27, 2010 staying the operation of the amendment to the Act against the Company for a period of one month. Further, the High Court, pursuant to its order dated March 1, 2010, extended the interim order dated January 27, 2010 until further orders. This matter is currently pending.
3. Our Company and New India Assurance Company Limited ("**NIACL**", and collectively with the Company, the "**Plaintiffs**") have filed a civil suit dated September 6, 2010 ("**Suit**") before the Court of the City Civil Judge, Bengaluru (the "**City Civil Court**") against Indian Oil Corporation Limited ("**IOCL**") and one of its station managers (collectively, the "**Defendants**"). In terms of the Suit, the Plaintiffs submitted that our Company is the owner of the aircraft "VT-JOY" and had obtained a hull risk coverage policy from NIACL. On September 8, 2007, the aircraft met with an accident on account of negligence (wrong fuelling) by the station manager, IOCL for which the claim aggregating to ₹33.14

million has been settled between NIACL and our Company. After receipt of the said insured amount, our Company executed discharge vouchers, letter of subrogation and general power of attorney in favour of NIACL to file the present Suit. Pursuant to the Suit, the Plaintiffs prayed *inter alia* to direct the Defendants to pay ₹37.96 million along with interest at 9% per annum. The City Civil Court, pursuant to its order dated October 14, 2019 held that the accident was on account of negligence of the Defendants and directed IOCL to pay ₹37.96 million to NIACL with interest at 9% per annum from the date of the Suit till the payment of entire amount (“**Judgement**”). Subsequently, IOCL filed a memorandum of regular first appeal dated January 13, 2020 (“**RFA**”) before the High Court of Karnataka, Bangalore (the “**Court**”) under Section 96 of the CPC against the Plaintiffs and the station manager. Pursuant to the RFA, IOCL prayed to stay the operation and execution of the Judgement and decree dated October 14, 2019 till the disposal of this RFA. As per the valuation of the Court dated January 13, 2020, the RFA is valued at ₹70.91 million. The Court, pursuant to its interim order dated October 7, 2020, admitted the appeal and directed IOCL to deposit the amount of ₹37.96 million before the Court within five weeks of this order. This matter is currently pending.

Criminal Litigation

1. Our Company has filed a criminal complaint dated November 8, 2016 against three former employees and Sharmila Kumari, a customer of our Company (collectively the “**Accused**”) at Angamaly Police Station, Ernakulam, on the grounds that the Accused conspired together to defraud the Company by forging the stocks of jewellery at the Company’s Angamaly showroom, not generating invoices and defrauding our Company of gold jewellery weighing 7,202.91 grams worth ₹23.50 million. The accused customer had issued cheques in respect of such jewellery but had also delivered “stop payment” instructions to the relevant bank, thereby ensuring that our Company did not receive any payments for the jewellery appropriated by her. The Angamaly Police Station registered an FIR dated November 9, 2016 against the Accused under Sections 34, 120(B), 408 and 420 of the IPC on the grounds that the Accused committed cheating, criminal breach of trust and criminal conspiracy by tampering with gold jewellery worth ₹23.50 million. Subsequently, the Accused were arrested and released on bail in November and December 2016. The Angamaly Police Station has also filed a charge sheet on December 15, 2017 in respect of the Accused before the JFCM Court, Angamaly under Section 173 of the CrPC. Pursuant to the jewellers block insurance policy, issued by an insurance company, our Company filed a fidelity guarantee insurance claim dated January 3, 2017 against the loss sustained by our Company on account of the actions of the Accused, aggregating to ₹23.50 million. Our Company received a portion of the claim amount aggregating to ₹15.17 million pursuant to acceptance letters from the insurer dated March 30, 2017. The DoE has issued summons under the Prevention of Money Laundering Act, 2002 to our Promoter in relation to this matter. For details of summons issued by the DoE please see “- *Litigation against our Company – Actions Taken by Regulatory and Statutory Authorities*” on page 285.
2. Our Company has filed a complaint dated July 2, 2014 against an unknown person at the Railway Police Station, Ernakulam, on the grounds that the accused has stolen gold ornaments aggregating to ₹13.06 million being carried by one of the employees of our Company for official purposes. The Ernakulam Railway Police has also registered an FIR dated July 2, 2014 against the accused under Section 379 of the IPC on the grounds that the accused committed theft. The Company has filed an application before the JFCM, Ernakulam under Section 451 of the CrPC for interim custody of the gold ornaments stolen by the accused and later impounded by the police. The JFCM court by its order dated July 18, 2014 allowed the interim custody of the gold ornaments upon furnishing a bank guarantee amounting to ₹13.06 million. This matter is currently pending.

Litigation involving our Promoter

Litigation against Alukkas Varghese Joy

Civil Litigation

1. A memorandum of writ petition dated February 26, 2017 has been filed by Bobba Prasad (“**Complainant**”) against the State of Telangana, the Greater Hyderabad Municipal Corporation (“**GHMC**”), our Promoter and B. Raja Sekhar (collectively the “**Accused**”) before the High Court of Hyderabad praying *inter alia* to issue a writ of mandamus or order or direction declaring the order dated January 31, 2017, passed by the GHMC, as illegal, arbitrary and in violation of the fundamental rights guaranteed under Articles 19 and 300-A of the Constitution of India and to set aside the building permission granted to our Promoter, pursuant to the permit order dated October 10, 2014, in respect of the 885 square yards of land belonging to a private limited company, carrying on a business of hospitality and other allied activities. This matter is currently pending. The Complainant has also filed a criminal complaint against our Company, our Promoter and others in relation to this matter. For details, please see “- *Litigation against our Company – Criminal Litigation*” on page 284.
2. An arbitration claim dated October 19, 2020 has been filed by Leo Louis and others (“**Claimants**”) against the Mall of Joy Private Limited and our Promoter (“**Respondents**”) before the sole arbitrator under Section 23(1) of the Arbitration and Conciliation Act, 1996 alleging that the Respondents wrongfully terminated the lease deed for the property owned

by the Claimants resulting in financial loss to the Claimants. For details, please see “- *Litigation involving our Group Companies – Civil Litigation*” on page 292.

Criminal Litigation

1. A criminal complaint dated September 30, 2015 has been filed by Bobba Prasad (“**Complainant**”) against our Company, our Promoter and other individuals (collectively the “**Accused**”) before the XIV Additional Chief Metropolitan Magistrate, Nampally, Hyderabad, on the grounds that fraud and mischief was committed by the Accused to defraud the Complainant. For details in relation to this case, see “- *Litigation against our Company – Criminal Litigation*” on page 284.

Actions Taken by Regulatory and Statutory Authorities

1. The RBI vide its letter dated November 18, 2005, had requested the Company for details of the investments by the non-resident Indians (“**NRIs**”), including our Promoter, on non-repatriation basis. Our Company provided details of the money brought in by NRIs, including our Promoter as investment in the Company on non-repatriation basis, including the amount used towards share application money and amount used as unsecured loans. The RBI further advised the Company to explain the difference in the amount of unsecured loan. For details in relation to this case, see “- *Litigation against our Company – Actions Taken by Regulatory and Statutory Authorities*” on page 285.
2. Our Company had taken unsecured loans from our Promoter in several tranches during the period over Fiscal 2003 to Fiscal 2011 and subsequently has filed a compounding application dated December 4, 2021 before the RBI for contravention of Regulations 5(1)(i) and 5(1)(v)(B) of the Foreign Exchange Management (Borrowing and Lending in Rupees) Regulations, 2000 in relation to the failure to issue NCDs by way of public offer. For details in relation to this case, see “- *Litigation against our Company – Actions Taken by Regulatory and Statutory Authorities*” on page 285.
3. In relation to investigation under the FEMA, the DoE has issued several letters of enquiries against our Company under Section 37 of the FEMA read with Section 133 of the IT Act since 2005-2006 and summons to our Promoter, his wife, Jolly Joy, his son and our Non-Executive Director, John Paul Joy Alukkas, and certain employees /directors of our Company under Sections 37(1) and 37(3) of the FEMA read with Section 131(1) of the IT Act and Section 30 of the Code of Civil Procedure, 1908. For details in relation to this case, see “- *Litigation against our Company – Actions Taken by Regulatory and Statutory Authorities*” on page 285.
4. In relation to an investigation under the Prevention of Money Laundering Act, 2002, the DoE has issued summons dated March 18, 2021 and March 22, 2021 under Section 50(2) and (3) of the Prevention of Money Laundering Act, 2002 to our Promoter. For details in relation to this case, see “- *Litigation against our Company – Actions Taken by Regulatory and Statutory Authorities*” on page 285.

Disciplinary action

Nil

Tax matter involving Alukkas Varghese Joy

1. Certain search and seizure operations were conducted by the Income Tax Department on January 10, 2018 under Section 132 of the IT Act at the corporate office and showrooms of the Company, and residential premises of our Promoter and employees’. For details in relation to this case, see “- *Tax Claims – Description of certain tax matters involving our Company, above the materiality threshold adopted by the Board – Direct tax matters*” on page 295.

Litigation by Alukkas Varghese Joy

Civil Litigation

Nil

Criminal Litigation

1. Our Promoter has filed a complaint dated December 23, 2016 against Decor Aviation Private Limited, Shyson Thomas and Shyna Thomas (collectively the “**Accused**”) before JFCM, Kochi under Sections 190(1) and 357(3) of the CrPC read with Sections 138 and 142 of the Negotiable Instruments Act, 1881. In January 2016, the complainant had granted loans of amount ₹5.00 million each to Air Pegasus Private Limited and Decor Aviation Private Limited, aggregating to a total sum of ₹10.00 million. In July 2016, as agreed towards the return of the said amount, the Accused issued two cheques for ₹5.00 million each to our Promoter. The cheques issued on behalf of Air Pegasus Private Limited and Decor

Aviation Private Limited were returned unpaid and dishonoured. Shyson Thomas and Shyna Thomas on behalf of Air Pegasus Private Limited made part payment of the amount aggregating to ₹3.50 million. This matter is still pending.

2. Our Promoter has filed a complaint along with a petition for condonation of delay dated April 23, 2016 against Riyas M. N. (“**Accused**”) before the JFCM, Kochi (“**Court**”) under Section 138 of the Negotiable Instruments Act, 1881 (“**Act**”). In December 2012, our Promoter had granted a loan aggregating to ₹13.90 million to the Accused on the promise made by him to repay the amount as and when demanded by our Promoter. In 2015, after several demands made by our Promoter, the Accused issued two cheques of ₹2.75 million and ₹11.14 million each, aggregating to ₹13.89 million in favour of our Promoter. The cheques issued by Accused were returned unpaid and dishonoured due to insufficient funds in the bank of the Accused. Subsequently, our Promoter issued a notice dated February 5, 2016 to the Accused to pay the amount covered under the cheques. Our Promoter has *inter alia* prayed for the Court to issue summons and punish the Accused for the offences committed by him under the Act. This matter is still pending.

Litigation involving our Directors

Litigation against our Directors

Civil Litigation

Except as mentioned below, as on the date of this Draft Red Herring Prospectus, there are no outstanding civil litigation against our Directors:

1. A memorandum of writ petition dated February 26, 2017 has been filed by Bobba Prasad (“**Complainant**”) against Alukkas Varghese Joy, our Promoter, the State of Telangana, the Greater Hyderabad Municipal Corporation (“**GHMC**”) and B. Raja Sekhar (collectively the “**Accused**”) before the High Court of Hyderabad. For details, please see “- *Litigation against Alukkas Varghese Joy – Civil Litigation*” on page 289.
2. An arbitration claim dated October 19, 2020 has been filed by Leo Louis and others (“**Claimant**”) against the Mall of Joy Private Limited and Alukkas Varghese Joy, our Promoter (“**Respondent**”) before the sole Arbitrator under Section 23(1) of the Arbitration and Conciliation Act, 1996 alleging that the Respondent wrongfully terminated the lease deed for the property owned by the Claimants resulting in financial loss to the Claimants. For details, please see “- *Litigation against Alukkas Varghese Joy – Civil Litigation*” on page 289.

Criminal Litigation

Except as mentioned below, as on the date of this Draft Red Herring Prospectus, there are no outstanding criminal litigation against our Directors:

1. A criminal complaint dated September 30, 2015 has been filed by Bobba Prasad (“**Complainant**”) against our Company, Alukkas Varghese Joy, our Promoter and other individuals (collectively the “**Accused**”) before the XIV Additional Chief Metropolitan Magistrate, Nampally, Hyderabad, on the grounds that fraud and mischief was committed by the Accused to defraud the Complainant. The Complainant has also filed a civil writ petition against our Promoter and others in relation to this matter. For details in relation to this case, see “- *Litigation against Alukkas Varghese Joy – Criminal Litigation*” on page 290.

Actions Taken by Regulatory and Statutory Authorities

1. The RBI vide its letter dated November 18, 2005, had requested the Company for details of the investments by the non-resident Indians (“**NRIs**”), including our Promoter, Alukkas Varghese Joy, on non-repatriation basis. Our Company provided details of the money brought in by NRIs, including our Promoter as investment in the Company on non-repatriation basis, including the amount used towards share application money and amount used as unsecured loans. The RBI further advised the Company to explain the difference in the amount of unsecured loan. For details in relation to this case, see “- *Litigation against Alukkas Varghese Joy – Actions Taken by Regulatory and Statutory Authorities*” on page 290.
2. Our Company had taken unsecured loans from our Promoter, Alukkas Varghese Joy, in several tranches during the period over Fiscal 2003 to Fiscal 2011 and subsequently has filed a compounding application dated December 4, 2021 before the RBI for contravention of Regulations 5(1)(i) and 5(1)(v)(B) of the Foreign Exchange Management (Borrowing and Lending in Rupees) Regulations, 2000 in relation to the failure to issue NCDs by way of public offer. For details in relation to this case, see “- *Litigation against Alukkas Varghese Joy – Actions Taken by Regulatory and Statutory Authorities*” on page 290.
3. In relation to investigation under the FEMA, the DoE has issued several letters of enquiries against our Company under Section 37 of the FEMA read with Section 133 of the IT Act since 2005-06 and summons to our Promoter, Alukkas

Varghese Joy, his wife, Jolly Joy, his son and our Non-Executive Director, John Paul Joy Alukkas, and certain employees /directors of our Company under Sections 37(1) and 37(3) of the FEMA read with Section 131(1) of the IT Act and Section 30 of the Code of Civil Procedure, 1908. For details in relation to this case, see “- *Litigation against Alukkas Varghese Joy – Actions Taken by Regulatory and Statutory Authorities*” on page 290.

4. In relation to an investigation under the Prevention of Money Laundering Act, 2002, the DoE has issued summons dated March 18, 2021 and March 22, 2021 under Section 50(2) and (3) of the Prevention of Money Laundering Act, 2002 to our Promoter, Alukkas Varghese Joy. For details in relation to this case, see “- *Litigation against Alukkas Varghese Joy – Actions Taken by Regulatory and Statutory Authorities*” on page 290.

Disciplinary action

Nil

Tax matter involving our Director

1. Certain search and seizure operations were conducted by the Income Tax Department on January 10, 2018 under Section 132 of the IT Act at the corporate office and showrooms of the Company, and residential premises of our Promoter Director, Alukkas Varghese Joy and employees. For details in relation to this case, see “- *Tax Claims – Description of certain tax matters involving our Company, above the materiality threshold adopted by the Board – Direct tax matters*” on page 295.

Litigation by our Directors

Civil Litigation

Nil

Criminal Litigation

Except as mentioned below, as on the date of this Draft Red Herring Prospectus, there are no outstanding criminal litigation instituted by any of our Directors:

1. Alukkas Varghese Joy has filed a complaint dated December 23, 2016 against Decor Aviation Private Limited, Shyson Thomas and Shyna Thomas (collectively the “**Accused**”) before JFCM, Kochi under Sections 190(1) and 357(3) of the CrPC read with Sections 138 and 142 of the Negotiable Instruments Act, 1881. For details in relation to this case, see “- *Litigation by Alukkas Varghese Joy – Criminal Litigation*” on page 290.
2. Alukkas Varghese Joy has filed a complaint along with a petition for condonation of delay dated April 23, 2016 against Riyas M. N. (“**Accused**”) before the JFCM, Kochi under Section 138 of the Negotiable Instruments Act, 1881. For details in relation to this case, see “- *Litigation by Alukkas Varghese Joy – Criminal Litigation*” on page 290.

Litigation involving our Group Companies

Except as mentioned below, as on the date of this Draft Red Herring Prospectus, there are no litigation involving our Group Companies:

Civil Litigation

1. An arbitration request dated December 14, 2019 has been filed under Section 11(6) of the Arbitration and Conciliation Act, 1996 (the “**Arbitration and Conciliation Act**”) by Leo Louis and others (the “**Claimants**”) against Mall of Joy Private Limited (the “**Respondent**”) before the High Court for appointment of arbitrator in view of a dispute arising from the termination of lease deeds executed between the Claimants and the Respondent in relation to the construction and lease of a proposed mall building, the Mall of Joy, (the “**Property**”) in Thrissur, Kerala on the land owned by the Claimants. The High Court pursuant to its order dated June 8, 2020, allowed the petition and appointed a sole arbitrator for the resolution of the dispute. Subsequently, an arbitration claim dated October 19, 2020 has been filed by the Claimants against the Respondent and our Promoter, before the arbitrator under Section 23(1) of the Arbitration and Conciliation Act alleging that the Respondent wrongfully terminated the lease deeds resulting in financial loss to the Claimants. The Claimants have prayed to pass an award *inter alia* to (i) recover an amount of ₹200 million along with interest at the rate of 18% per annum from the date of the claim till its realisation; (ii) direct the Respondent to give immediate vacant possession of the building along with the damages for illegal use and occupation of the building; and (iii) recover an amount of ₹200 million from our Promoter after lifting the corporate veil of the Respondent, holding that the Respondent was incorporated for the purpose of defrauding the Claimants and their creditors. The Respondent filed an objection to the claim dated December 4, 2020 praying *inter alia* to (i) dismiss the claim sought by the Claimants;

(ii) direct the Claimants to pay ₹18.83 million to the Respondent; (iii) permit the Respondent to dismantle and remove the improvements made to the Property; and (iv) award costs of ₹14.70 million in favour of the Respondent. Further, the Respondent filed an interlocutory application dated October 27, 2020 to remove the name of our Promoter from the arbitration claim, to which the Claimant filed a counter affidavit dated December 4, 2020 stating that our Promoter is a necessary party to the arbitration claim, and proper adjudication of the issues involved in the case is not possible in his absence.

The Respondent also filed an interim application dated July 27, 2020, seeking to impound the lease deeds due to deficiency in stamp duty. The arbitrator, pursuant to its interim order dated March 25, 2021, dismissed the interim application and held that deficiency in stamp duty will not invalidate the existence of the arbitral agreements or its validity. Subsequently, pursuant to its interim order dated December 20, 2021, the sole arbitrator permitted the Claimants to take possession of the Property along with all the fixtures (“**Interim Order**”). The Respondent filed a memorandum of arbitration appeal dated December 23, 2021 before the Commercial Court, Thrissur, challenging the Interim Order. The Court of the Principal Subordinate Judge, Thrissur, pursuant to its order dated February 2, 2022, upheld the Interim Order and dismissed the arbitration appeal (“**Order**”). The Respondent filed a memorandum of original petition (civil) dated February 25, 2022 before the High Court, challenging the Order and praying *inter alia* to (i) quash the order pursuant to which the arbitrator took custody of the Property and the Interim Order; and (ii) restrain the Claimants from letting out or transferring the Property to any third parties pending disposal of this original petition. This matter is currently pending.

Tax Claims

Except as disclosed below, there are no claims related to direct and indirect taxes involving our Company, Directors and Promoter.

Nature of case	Number of cases	Amount involved (₹ in million)
Company		
Direct Tax	5	104.30
Indirect Tax	38	1,508.66
Directors		
Direct Tax	1	Not quantifiable
Indirect Tax	1	6.12
Promoter		
Alukkas Varghese Joy		
Direct Tax	1	Not quantifiable
Indirect Tax	1	6.12

Description of certain tax matters involving our Company, above the materiality threshold adopted by the Board

Indirect tax matters

- Certain orders dated March 23, 2020 were passed by State Tax Officer, Squad No. 1, SGST Department, Kerala, Thrissur (“**Officer**” and such orders, the “**Orders**”) against our Company imposing penalties under Section 67(1) of the Kerala Value Added Tax Act, 2003 (the “**KVAT Act**”). Pursuant to the Orders, the Officer stated that, *inter-alia*, during the year 2012-2013 to 2016-2017, there were unaccounted transactions of sale and purchase of gold, silver and related articles. The Officer demanded an amount of ₹218.29 million for the AY 2012-2013, ₹238.83 million for the AY 2013-2014, ₹261.52 million for the AY 2014-2015, ₹218.20 million for the AY 2015-2016, and ₹112.35 million for the AY 2016-2017 as penalty. Subsequently, the Assistant Commissioner, Squad No. 1, SGST Department, Kerala, Thrissur passed an order dated June 23, 2020 under Sections 67(1) and 66 of the KVAT Act rectifying the amount of penalty for the AY 2015-16 and 2016-17 as ₹221.39 million and ₹144.87 million respectively.

Our Company has filed a memorandum of appeal dated July 15, 2020 before the Joint Commissioner (Appeals) (the “**Commissioner**”) against the Orders imposing penalty for the AYs 2012-2013 to 2016-2017 and praying *inter alia* to set aside the said penalty. Our Company has also filed an application for condonation of delay in filing the appeal along with an interlocutory application dated July 15, 2020 before the Commissioner to stay the collection of penalty for the AYs 2014-2015 to 2016-2017 till the disposal of the appeal. A writ petition dated July 15, 2020 (“**Writ Petition**”) has been filed by our Company before the High Court, praying *inter alia* that penalty orders for AY 2013-14 were issued without jurisdiction and should be quashed and rendered null and void and unenforceable. A counter affidavit dated October 12, 2020 has been filed by the Deputy Commissioner (Law), SGST Department, Ernakulam, (the respondent in the Writ Petition) before the High Court challenging the maintainability of the Writ Petition and submitting *inter alia* to dismiss the Writ Petition. The High Court, pursuant to its order dated December 18, 2020, dismissed the Writ Petition. Our Company has also filed a writ appeal dated July 22, 2020 against the penalty orders dated March 23, 2020 for AYs 2014-15 to 2017-18 before the High Court praying *inter alia* to stay the further proceedings for realizing the penalty.

amounts (“**Writ Appeal**”). The High Court, pursuant to its order dated July 23, 2020, condoned the delay, admitted the writ petition and granted an interim stay, which was extended pursuant to subsequent interim orders. Our Company has filed a writ appeal dated February 8, 2021 against the order dated December 18, 2020 praying *inter alia* to set aside the order on the grounds that it is improper, illegal and an erroneous understanding of the facts. Subsequently, the Joint Commissioner pursuant to its order dated March 8, 2022, directed the State Tax Officer to modify the demands for the AYs 2014-15 to 2017-18 and disposed off the Writ Appeal. This matter is currently pending.

2. A notice dated October 10, 2017 was issued by Office of the Assistant Commissioner, Special Circle-I, Ernakulam (“**Commissioner**”) to our Company. Pursuant to the notice, the Commissioner has demanded a total amount of ₹38.46 million as surcharge on the grounds that our Company falls under Section 3(1A) of the Kerala Surcharge on Taxes Act, 1957 (the “**KST Act**”) and is liable to pay surcharge at the rate of 10% on the output tax payable for the AY 2011-12. An order dated January 27, 2018 has been passed by Assistant Commissioner, State Tax, Special Circle-I, SGST Department, Ernakulam, against our Company. Pursuant to the order, the commissioner has *inter-alia* stated that our Company has not remitted the required 10% surcharge on taxes for the AY 2011-12 after granting time till December 30, 2017 and revised the surcharge at 10% on the tax due on the conceded turnover aggregating ₹65.38 million (including interest).

Our Company has filed a rectification application dated February 14, 2018 before the Assistant Commissioner, SGST Department, Special Circle-I, Ernakulam under Section 66 of the KVAT Act, 2003 which was rejected pursuant to rectification order dated April 30, 2018 on account of non-applicability. Our Company has also filed a writ petition against the order rejecting rectification application before the High Court praying *inter alia* to stay the further recovery proceedings. The High Court, pursuant to order dated March 20, 2018, directed the respondent to pass an order on the rectification application. After hearing the matter again on March 27, 2018, the Assistant Commissioner, SGST Department, Special Circle – I, Ernakulam issued an order dated April 30, 2018 *inter alia* stating that rectification application has no merit and petition filed by our Company is not applicable under this case thereby upholding the surcharge amount of ₹65.38 million (including interest) due for remittance. Our Company has filed a writ petition dated January 2, 2017 before the High Court challenging the constitutionality of Section 3(1A) of the KST Act. The High Court pursuant to an order dated June 6, 2018 quashed all the surcharge demand and held that Section 3(1A) of the KST Act is unconstitutional (“**Judgement**”). Subsequently, the State of Kerala filed certain writ appeals against the Judgement. The High Court pursuant to an order dated February 19, 2020 dismissed the 26 writ appeals and upheld the Judgement. Subsequently, the Government of Kerala has filed a special leave petition before the Supreme Court of India (the “**SC**”) on December 24, 2020 against this High Court order and the SC, pursuant to an order dated January 22, 2021, allowed the appeal by special leave. This matter is currently pending.

3. A show cause notice dated December 30, 2020 (“**SCN**”) was issued by Office of the Principal Commissioner, Central Tax and Central Excise, Kochi (“**Commissioner**”) to our Company. Pursuant to the SCN, it was stated that our Company offers a saving scheme for purchase of gold ornaments to its customers, named as Joy Alukkas Easy Gold Scheme (“**Scheme**”). Pursuant to the terms and conditions of the Scheme, customers who fail to redeem ornaments or did not purchase gold after the maturity of the Scheme were not refunded the cash and the amounts paid by such customers were appropriated as income by the Company under the head ‘Advance Cancellation’ and ‘SOR Income’. In terms of the SCN, this amount collected and appropriated by the Company in lieu of this Scheme would be liable to service tax for a “declared service” under Section 66E(c) of the Finance Act, 1994. Subsequently, an investigation was initiated through summons proceedings against our Company for an alleged evasion of service tax and certain summons were issued between 2019 to 2020. It was also alleged that our Company avails services of contractors for construction activities including transfer of goods and such transfer of property is leviable to tax as sale of goods under Section 65B(54) of the Finance Act, 1994. As per the SCN, it was alleged that our Company provides certain services in promoting the business of an insurance company by issuing policies on behalf of the insurance company for insuring the gold ornaments sold by our Company. Certain summons were issued to the Company in this regard and upon submissions of the Company, it was noted that our Company has taken Cenvat credit on input services of the service tax paid and has entered into an agreement with the insurance company, registered and incorporated under IRDAI to insure the items purchased by the customers. On verification of Cenvat credit availed by the Company, it was alleged that our Company has availed and utilized an amount of ₹6.56 million which is in contradiction with Rule 9 of the Cenvat Credit Rules, 2004 read with Finance Act, 1994 and the Central Goods and Services Tax Act, 2017 (the “**CGST Act**”). Accordingly in terms of the SCN, our Company was directed to show cause as to why service tax aggregating to ₹72.29 million for the period of 2015-16 to 2017-18 (up to June 2017) along with the interest for delayed payment of service tax proposed to be demanded, and other penalties under the Finance Act, 1994 and CGST Act, should not be imposed on the Company.

Pursuant to its letter dated April 30, 2021, our Company replied to the SCN stating *inter alia* that (i) the amount of consideration alleged to be appropriated as income for non-performance of the terms of the Scheme was received as booking advance as an installment under the Scheme. Such advances may be claimed by the customers subsequently and if unclaimed, the same is treated as income after lapse of time; (ii) on non-payment of service tax under reverse charge on construction, there is no basis of determining the entire work as finishing work and computing the value of

service as 70% which in case of original works is 40% under the Service Tax (Determination of value) Rules, 2006 (the “**Valuation Rules**”) and our Company has remitted 50% of the service tax charged by the service provider in the service tax invoice as liable to be paid by service recipients as per the Valuation Rules; and (iii) on ineligible Cenvat credit, the insurance company has issued invoice to the Company and therefore our Company is the service recipient and invoice is the document for availing the Cenvat credit. The insurance provided by our Company to the customers is a value-added service for which a nominal amount is collected and accounted under Company’s ‘Insurance Income’. Further, the alleged information that our Company “issues policy on behalf of the insurance company” is against the facts as our Company is in fact availing the services from the insurance company and not acting on behalf of them. For the reasons stated above, our Company submitted that the levy of tax is incorrect and hence the penalties should not be imposed. There has been no further communication from the Commissioner and this matter is currently pending.

4. A search was conducted by Officers of Customs Preventive Division, Thrissur (“**CPD Officers**”) on September 10, 2020 at the business premises of our Company in connection with seizure of gold ornaments. The Superintendent of Customs seized the alleged foreign origin gold with 24 carat purity, totally weighing 170.17 grams valued at ₹0.79 million (international value) and ₹0.89 million (market value) from the purchase division of the Company. The seizure was made on the alleged belief that the recovered gold was originally smuggled into India without payments of customs duty and thus is an illegal import under Section 11A(a) of the Customs Act, 1962 (“**Act**”) thereby making it liable for confiscation under Section 111(d) and 111(m) read with Section 120 of the Act and Section 3(3) of the Foreign Trade (Development and Regulation) Act, 1992. Our Company addressed a letter dated September 10, 2020 to the Commissioner of Customs (Preventive), Kerala *inter alia* raising objections against the events that unfolded pursuant to the search conducted by the CPD Officers and submitting that seizure memo and seizure mahazar were obtained forcibly from our Company under the threat of coercive action. A show cause notice dated February 25, 2021 (“**SCN**”) was issued by Office of the Assistant Commissioner of Customs (Preventive), Thrissur Division, Thrissur (“**Commissioner**”) to our Company and our Key Managerial Personnel, Pallikkunnam D. Jose (*former executive director*), requiring to show cause as to why 10 bar pieces of gold, totally weighing 170.17 grams seized from the premises of our Company should not be confiscated under the Act and why penalty under Section 112 of the Act should not be imposed on the Company for acquiring the possession of or is in any way concerned in carrying, removing, concealing, selling or purchasing of the seized gold. Our Company, pursuant to its letter dated September 23, 2021, replied to the SCN dated February 25, 2021, submitting *inter alia* that the (i) SCN is frivolous and vague and the 10 bar pieces are the old/scrap gold purchased from our customers; and (ii) seizure is wholly arbitrary, illegal and unsustainable. Thus, our Company requested the Commissioner that the further proceedings should be dropped, and abovementioned gold should not be confiscated, and the penalty should not be imposed. Certain notices of personal hearing were issued by the Commissioner between May 2021 to July 2021 to our Company pursuant to which our Company appeared before the Commissioner on October 13, 2021 and reiterated the submissions made by the Company in its letter dated September 23, 2021. There has been no further communication from the Commissioner and this matter is currently pending.

Direct tax matters

1. A notice dated September 25, 2012 was issued by Assistant Commissioner of Income Tax (“**ACIT**”), Circle 1(2), Kochi (“**Commissioner**”) under Section 143(2) of the IT Act to our Company. Our Company received a reference under Section 92 CA(3) of the IT Act from the Commissioner on November 13, 2013. The Assessing Officer (“**AO**”) referred the matter to the Transfer Pricing Officer, Kochi (“**TPO**”) for determining the arm’s length price in relation to the international transaction entered by the Company with its associated enterprises during the AY 2011-12. Pursuant to the order dated January 30, 2015, the TPO *inter alia* directed the AO to make an upward adjustment to the export sales and downward adjustment towards fees for brand utilization expenses. Our Company pursuant to an application dated March 9, 2015 requested for a rectification with respect to the adjustments on two items, subsequent to which, the TPO rejected the request and passed a rectification order dated September 22, 2015. An order dated December 18, 2015 was passed by Dispute Resolution Panel-2, Bangalore (“**DRP**”), under Section 143(3) read with Section 144C(1) of the IT Act. In accordance with the directions of the DRP, the ACIT, Range-1, Kochi, passed an assessment order dated January 29, 2016 and issued demand notice amounting to ₹60.78 million to our Company (“**Assessment Order**”). Our Company filed an appeal dated March 11, 2016 before the Income Tax Appellate Tribunal, Cochin (“**ITAT**”) against the Assessment Order. Subsequently, the ACIT, Corporate Circle 1(2), Kochi, passed an assessment order dated October 30, 2017 and issued demand notice pursuant to which refund for AY 2013-14 is being adjusted to demand in AY 2011-12 for ₹60.78 million. This matter is currently pending before the ITAT.
2. Certain search and seizure operations were conducted by the Income Tax Department (“**ITD**”) on January 10, 2018 under Section 132 of the IT Act at the corporate office and showrooms of the Company, and residential premises of our Promoter and employees. During the course of such search operations, certain assets, documents, records, hard discs, laptops, emails, cash, etc., were seized. Further, sworn statements of our Promoter were also recorded. The Assistant Commissioner of Income Tax, Centre Circle-1 (“**ACIT**”), Kochi, issued notices during year 2018-2019 to our Company and our Promoter under Section 153A of the IT Act for the assessment year(s) (“**AY**”) 2012-2013 to 2017-2018, requiring our Company and our Promoter to file revised returns of income. Further certain notices were issued under

Section 153A of the IT Act requiring our Company to file returns of income for AY 2009-2010 to AY 2017-2018. In response, our Company and our Promoter filed revised return of income for the AY 2009-2010 to 2018-2019 and AY 2012-2013 to 2018-2019, respectively. The ITD, pursuant to its order dated August 14, 2018 under Section 281B(1) of the IT Act provisionally attached 28 properties belonging to our Company for a period of six months, and prohibited and restrained our Company from transferring, creating any charge on, or parting with the possession of such properties in favor of any other person (“**Company’s Provisional Attachment Order**”). The Company’s Provisional Attachment Order was further extended for a period of six months pursuant to the order dated February 4, 2019. Our Company pursuant to its letter dated July 23, 2019, requested the ACIT, Kochi to cancel the Company’s Provisional Attachment Order and to release such attached properties. Subsequently, *in re* the Company’s Provisional Attachment Order, the ITD pursuant to its order dated August 7, 2019, released 11 properties and further extended the provisional attachment of the remaining 17 properties for a period of six months. The Income Tax Settlement Commission, Additional Bench, Chennai (“**ITSC**”) further extended the period of attachment for another six months pursuant to its order dated February 13, 2020.

Separately, the ITD pursuant to its order dated August 6, 2018 under Section 281B(1) of the IT Act provisionally attached 34 properties belonging to our Promoter for a period of six months, and prohibited and restrained our Promoter from transferring, creating any charge on, or parting with the possession of such properties in favor of any other person (“**Promoter’s Provisional Attachment Order**”). The Promoter’s Provisional Attachment Order was further extended for a period of six months pursuant to the order dated February 4, 2019. Subsequently, *in re* the Promoter’s Provisional Attachment Order, the ITD pursuant to its order dated August 1, 2019, released five properties and extended the provisional attachment of the remaining 29 properties for a period of six months. Further, our Promoter pursuant to its letter dated December 2, 2020, requested the ACIT, Kochi to (i) confirm whether the prohibition under section 281B(1) of the IT Act still subsists in relation to the remaining 29 properties; and (ii) withdraw/cancel the Promoter’s Provisional Attachment Order and release the 29 properties.

Our Company and our Promoter filed a settlement application dated October 9, 2019 before the ITSC which was rejected pursuant to an order dated October 16, 2019 on account of non-satisfaction of requirements under Section 245C(1) of the IT Act. Subsequently, our Company and our Promoter approached the ITSC again and filed a settlement application dated December 30, 2019 under Section 245C of the IT Act and Rule 44C and 44CA of the Income Tax Rules, 1962 for the AYs 2009-2010 to 2018-2019. Our Company and our Promoter *inter alia* submitted that there had been an understatement of income before the assessing officer and the settlement application had been filed to offer the additional income. Our Company and our Promoter offered an additional income of ₹4,831.46 million and ₹95.66 million respectively and paid resultant income tax of ₹1,620.58 million and ₹31.86 million respectively on the aforesaid additional income for the relevant AY. Further, our Company *inter alia* requested the ITSC for adjustment out of seized cash lying with the ITD against its additional tax liability. The ITSC, pursuant to its order dated January 13, 2020, admitted the settlement application, and accepted the request of the Company for adjustment of seized cash towards tax liability under Section 245D(1) of the IT Act.

The ACIT, Ernakulam issued a report dated February 4, 2020 to the Principal Commissioner of Income Tax (Central), Kochi (“**PCIT**”), under Section 245D (2B) of the IT Act objecting that both the applicants (i.e. our Company and our Promoter) have to offer further additional income on unaccounted and undisclosed income. In response to the report issued by ACIT, Ernakulam, our Company and our Promoter filed a reply dated February 18, 2020 to the ITSC. The ITSC, pursuant to its order dated February 25, 2020, held that the settlement applications filed by both the applicants for the relevant AYs are ‘not invalid’ and allowed to be proceeded in the case of our Company and our Promoter. Subsequently, pursuant to its letter dated September 30, 2020, and supplementary submissions dated November 10, 2020, our Company and our Promoter responded to the issues raised by the assessing officer as forwarded by the PCIT vide its report dated July 13, 2020 under Rule 9 of the ITSC Rules, 1997. Pursuant to the Finance Act, 2021, the Government of India has abolished the ITSC with effect from February 1, 2021. In order to dispose off the pending cases, Interim Board for settlement has been constituted vide notification dated August 10, 2021. This matter is currently pending before the Interim Board.

Outstanding dues to Creditors

As of September 30, 2021, the total number of creditors of our Company was 1,347 and the total outstanding dues to these creditors by our Company was ₹6,707.76 million. Our Company owes an amount of ₹4,448.74 million to micro, small and medium enterprises (“**MSMEs**”) as defined under the Micro, Small and Medium Enterprises Development Act, 2006.

As per the Materiality Policy, creditors of our Company to whom an amount exceeding 2.00% (i.e. ₹134.16 million) of the total trade payables of the Company as per the latest Restated Financial Information of the Company as at September 30, 2021, disclosed in the Draft Red Herring Prospectus shall be considered as ‘material’ creditors of our Company. As of September 30, 2021, there are two material creditors to whom our Company owes an aggregate amount of ₹410.35 million. The details pertaining to net outstanding dues towards our material creditors, along with their names and amount involved in respect of

each material creditor, are available on the website of our Company at <https://www.joyalukkas.in/pages/investor-relations/pgid-1457311.aspx>. It is clarified that such details available on our website do not form a part of this Draft Red Herring Prospectus and investors should not make any investment decision based on information available on the website of our Company. Anyone placing reliance on any other source of information, including our Company's website, would be doing so at their own risk. Details of outstanding dues owed to MSMEs, material creditors and other creditors as of September 30, 2021 are set out below:

Types of Creditors	Number of Creditors	Amount involved (in ₹ million)
MSMEs	224	4,038.39
Material creditors (also MSMEs)	2	410.35
Other creditors*	1,121	2,259.02
Total*	1,347	6,707.76

*Outstanding dues of negligible amounts payable to certain categories of creditors have been consolidated because of which the total number of creditors may not be reflective of the actual number of creditors.

Material Developments

Other than as stated in “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Significant developments after September 30, 2021 that may affect our future results of operations*” on page 280, there have not arisen, since the date of the last financial information disclosed in this Draft Red Herring Prospectus, any circumstances which materially and adversely affect, or are likely to affect, our trading, our profitability or the value of our assets or our ability to pay our liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

We have set out below an indicative list of material approvals, registrations, permits and licenses from various governmental and regulatory authorities obtained by our Company which are considered material and necessary for the purpose of undertaking our business activities and operations. In view of these material approvals, registrations, permits and licenses, our Company can undertake the Issue and its business activities and operations. In addition, certain of our material approvals, registrations, permits and licenses may expire in the ordinary course of business and our Company has either already made applications to the appropriate authorities for renewal or is in the process of making such renewal applications of such key approvals, as necessary. For details in connection with the regulatory and legal framework within which we operate, see “Key Regulations and Policies” on page 147.

I. Incorporation details

1. Certificate of incorporation dated April 22, 2002 in the name of ‘Joy Alukkas Traders (India) Private Limited’.
2. Fresh certificate of incorporation dated December 23, 2009 for change in name of our Company to ‘Joyalukkas India Private Limited’.
3. Fresh certificate of incorporation dated December 9, 2010 for conversion of our Company from a private limited company to a public limited company and change in name of our Company to ‘Joyalukkas India Limited’.
4. Fresh certificate of incorporation dated March 13, 2012 for conversion of our Company from a public limited company to a private limited company and change in name of our Company to ‘Joyalukkas India Private Limited’.
5. Fresh certificate of incorporation dated March 22, 2021 for conversion of our Company from a private limited company to a public limited company and change in name of our Company to ‘Joyalukkas India Limited’.
6. The CIN of our Company is U51398KL2002PLC015372.

II. Approvals in relation to the Issue

For details regarding the approvals and authorizations obtained by our Company in relation to the Issue, see “*Other Regulatory and Statutory Disclosures - Authority for the Issue*” on page 301.

III. Material approvals obtained in relation to our Company

A. Foreign trade related approvals

Our Company has obtained an importer exporter code bearing reference number 1002003725 dated July 31, 2002 from the Office of Joint Director General of Foreign Trade, Department of Commerce, Ministry of Commerce and Industry, Government of India. This code is valid until cancelled.

B. Tax related approvals

1. The permanent account number of our Company is AABCJ1087G.
2. The tax deduction account number of our Company is CHNJ00285F.
3. Our Company has obtained goods and services tax identification numbers under the applicable provisions of the goods and services tax legislations applicable in the states and union territories where our business operations are located.

C. Labour related approvals

Our Company has obtained registrations, including for our showrooms, under various employee and labour related laws including the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952, the Employees State Insurance Act, 1948 and the relevant shops and establishments legislations.

D. Approvals in relation to our showrooms

As of January 31, 2022, our Company operated 85 showrooms across India. We require certain material approvals, licenses and registrations under several central and state level acts, rules and regulations to undertake our operations in the showrooms, including, trade licenses from the respective municipal authorities of areas where such showrooms are located, legal metrology licenses, certifications/licenses from the Bureau of Indian Standards, professional tax registrations, fire no-objection certificates, fire extinguisher refill certificates, generator licences and sign board license, as may be applicable or in force. Certain of these material approvals, licenses and registrations differ on the basis of the


location as well as the nature of operations carried out at such locations. Certain approvals may have lapsed in their normal course and our Company has either made applications to the appropriate authorities for renewal of such licenses and/or approvals or is in the process of making such applications, in the ordinary course of business.


E. Approvals in relation to our manufacturing unit

We require certain material approvals and licenses in relation to our manufacturing unit situated in Thrissur, Kerala under various laws, rules and regulations including approvals from the state pollution control board, including consent to operate under the Water Act, the Air Act and the EP Act, permit to construct building as a factory under the Factories Act, 1948, labour license under the Kerala Shops and Commercial Establishment Act, 1960, trade license under the Kerala Municipality Act, 1994, registration under the Legal Metrology Act, 2009, the Employees State Insurance Act, 1948, diesel generator approval from the Department of Electrical Inspectorate, Kerala, license to work a lift/ escalator under the Kerala Lifts and Escalators Act, 2013, BIS registration for gold jewellery and artefacts, amongst others.

Further, in order to operate our manufacturing unit, we had made an application to the Department of Factories & Boilers, Thiruvananthapuram for obtaining registration, grant of license and notice of occupation under the Rules 4 and 12 of the Kerala Factories Rules, 1957, as amended, which was returned on March 20, 2022 and March 24, 2022 by the relevant authority on account of non-inclusion of the name of the occupier in the list of directors and non-submission of the Board resolution regarding appointment of occupier, respectively. Subsequently, our Board has passed the requisite resolution on March 25, 2022, and has submitted the resolution to the relevant authority. For further details, see “ – Material approvals applied for but not received” for risks in this regard, see “Risk Factors - We are required to obtain, renew or maintain certain statutory and regulatory permits and approvals required to operate our business, and if we fail to do so in a timely manner or at all, or these requirements are made more stringent, we may be unable to fully or partially operate our business and our results of operations may be adversely affected.” on page 32

F. Intellectual property

Our Company has 18 registered trademarks under the Trademarks Act, 1999, including for the trademarks  *World's favourite Jeweller*, and “Joy Alukkas” under Classes 14, 35 and 36 of the Trademarks

Act, 1999. Our Company applied for the registration of its corporate logo,  under classes 14 and 35 Trademarks Act, 1999 which was objected under class 14 and accepted and advertised under class 35. For further information, see “Risk Factors” and “Our Business” on page 19 and 129, respectively.

Our Company has applied for the registration of trademarks of the sub-brands of the Company, including “Pride”, “Eleganza”, “Zenina”, “Apurva” and “Masaaki”. Further, our trademark application for the trademark “Be Mine” and “Joyalukkas” has been opposed.

Our Company has filed an application for rectification of name of the proprietor in relation to the registered trademarks which are currently in the name of ‘Joy Alukkas Traders (India) Private Limited’ and ‘Joyalukkas India Private Limited’ under registered Classes 14, 35 and 36 of the Trademarks Act, 1999 to reflect name of our Company as the proprietor/user of such trademarks in the records of the Trade Marks Registry. The rectification application is currently pending. For details of potential risk in relation to our intellectual property and proprietary information, see “Risk Factors - If we are unable to protect our intellectual property and proprietary information, or if we infringe the intellectual property rights of others or are unable to distinguish the “Joyalukkas” brand name from other brands, our business, financial condition, cash flows and results of operations may be adversely affected.” on page 28.

IV. Material approvals applied for but not received

Some of the registrations and licenses in respect of our showrooms have expired in the ordinary course of business, and we have made renewal applications to the relevant authorities for such registrations and licenses. These include:

1. Application dated December 11, 2020 made to the Station Officer, Fire & Rescue Station, Angamaly for renewal of fire no objection certificate for one of our showrooms in Angamaly, Kerala.
2. Application dated February 4, 2022 made to the Commissioner, Vijayawada Municipal Corporation for renewal of fire no objection certificate for one of our showrooms in Vijayawada, Andhra Pradesh.

Further, in respect of our manufacturing unit, we have made the following application:

1. Application dated March 9, 2022 made to the Department of Factories and Boilers, Kerala for obtaining

registration, grant of license and notice of occupation for our manufacturing unit in Thrissur, Kerala.

V. Material approvals expired and renewals to be applied for

As on the date of this Draft Red Herring Prospectus, there are no material approvals that have expired or have not been renewed by our Company.

VI. Material approvals not applied for

As on the date of this Draft Red Herring Prospectus, there are no material approvals that have not been applied for by our Company.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

Our Board has approved the Issue pursuant to the resolutions passed at their meetings held on October 18, 2021 and March 25, 2022 and the Shareholders have approved the Issue pursuant to the resolution passed at their meeting held on October 20, 2021. This Draft Red Herring Prospectus has been approved pursuant to resolution passed by the Board on March 25, 2022 and IPO Committee on March 26, 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 or other Governmental Authorities

Our Company, the Promoter, members of our Promoter Group, Directors, 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 securities market regulator in any other jurisdiction or any other authority/court.

None of the companies with which our Promoter and Directors are associated with as promoters or directors have been debarred from accessing capital markets under any order or direction passed by the SEBI or any other authorities.

Directors associated with the Securities Market

None of our Directors are associated with securities market related business, in any manner. No outstanding action has been initiated against them by SEBI in the five years preceding the date of this Draft Red Herring Prospectus.

Confirmation under Companies (Significant Beneficial Owners) Rules, 2018

Our Company, Promoter, members of our Promoter Group, have confirmed that they are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, to the extent applicable, as at the date of this Draft Red Herring Prospectus.

Eligibility for the Issue

Our Company is eligible for the Issue 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 basis, in each of the preceding three full financial years, i.e., as at and for the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019, 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 basis, during the preceding three full financial years, i.e. financial years ended March 31, 2021, March 31, 2020 and March 31, 2019, with operating profit in each of these preceding three financial years;
- Our Company has a Net Worth of at least ₹ 10 million, calculated on a restated basis in each of the preceding three full financial years, i.e. financial years ended March 31, 2021, March 31, 2020 and March 31, 2019; and
- Our Company has not changed its name in the last one year other than for deletion of the word “private” consequent to the conversion from a private limited company to a public limited company.

Our Company’s net tangible assets, monetary assets, monetary assets as a percentage of the net tangible assets, restated pre-tax operating profit and Net Worth derived from the Restated Financial Information included in this Draft Red Herring Prospectus as at, and for the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019 are set forth below:

Derived from our Restated Financial Information:

S. No.	Particulars	As at and for the Fiscal ended		
		March 31, 2021	March 31, 2020	March 31, 2019
A.	Restated net tangible assets ⁽¹⁾	17,318.68	12,286.73	11,801.02
B.	Restated monetary assets ⁽²⁾	1,036.56	569.30	667.70
C.	Monetary assets as a percentage of net tangible assets (B/A*100)	5.99%	4.63%	5.66%
D.	Net Worth ⁽³⁾	17,207.50	12,478.52	11,875.73

(₹ in million)

S. No.	Particulars	As at and for the Fiscal ended		
		March 31, 2021	March 31, 2020	March 31, 2019
E.	Restated operating profits ⁽⁴⁾	7,960.48	6,795.28	5,246.95

1. *Net tangible assets mean the sum of all net assets of the Company, excluding intangible assets as defined in Ind AS 38 "Intangible Assets", right of use assets, goodwill and deferred tax assets.*
2. *Monetary Assets = Cash on hand + balance with bank in current account, fixed deposits (including held as margin money) with maturity up to 12 months and cash held in trust in escrow account.*
3. *"Net worth" as defined under Regulation 2(1)(hh) of the SEBI ICDR Regulations, means the aggregate value of the paid-up share capital and all reserves 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 as per the restated balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.*
4. *Restated operating profit means restated profit before exceptional items and tax excluding other income and finance cost.*

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, our Promoter, members of our Promoter Group and our Directors are not debarred from accessing the capital markets by SEBI;
- (ii) The companies with which our Promoter or our Directors are associated as a promoter or director or persons in control are not debarred from accessing the capital markets by SEBI or any authority;
- (iii) None of our Company, our Promoter, or Directors is a Wilful Defaulter or a Fraudulent Borrower;
- (iv) None of our Promoter or 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 Registrar to the Issue has entered into tripartite agreements dated October 13, 2021 and October 5, 2021 with NSDL and CDSL respectively, for dematerialisation of the Equity Shares;
- (vii) The Equity Shares of our Company held by our Promoter are in the dematerialised form;
- (viii) All the Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as at the date of filing of this Draft Red Herring Prospectus; and
- (ix) Our Company has appointed [●] as the Designated Stock Exchange.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI") SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, BEING EDELWEISS FINANCIAL SERVICES LIMITED, HAITONG SECURITIES INDIA PRIVATE LIMITED, MOTILAL OSWAL INVESTMENT ADVISORS LIMITED AND SBI CAPITAL MARKETS LIMITED ("BRLMS"), HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS 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 ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS, THE BRLMS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMS HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED MARCH 26, 2022 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V (FORM A) OF THE SEBI ICDR REGULATIONS.

THE FILING OF THIS 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 ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BRLMS, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.

All legal requirements pertaining to the Issue will be complied with at the time of filing of the Red Herring Prospectus with the Registrar of Companies in terms of Section 32 of the Companies Act and at the time of filing of the Prospectus with the Registrar of Companies in terms of sections 26, 32, 33(1) and 33(2) of the Companies Act.

Disclaimer from our Company, our Directors and 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 instance and anyone placing reliance on any other source of information, including our Company's website www.joyalukkas.in/, or the respective websites of any affiliate of our Company would be doing so at his or her own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the Issue Agreement, and as will be provided for in the Underwriting Agreement.

All information, to the extent required in relation to the Issue, 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 in their capacity as principals or agents may engage in transactions with, and perform services for, our Company, our Promoter, members of our Promoter Group and our Group Companies, and their respective directors and officers, affiliates, 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, our Promoter, members of our Promoter Group and our Group Companies, and their respective directors and officers, affiliates, associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of Jurisdiction

The Issue is being made in India to persons resident in India (who are competent to contract under the Indian Contract Act, 1872, 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, domestic Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in equity shares, state industrial development corporations, public financial institutions under Section 2(72) of the Companies Act, insurance companies registered with IRDAI, provident funds (subject to applicable law) and permitted 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 registered multilateral and bilateral development financial institutions) and permitted Non-Residents including FPIs and Eligible NRIs and AIFs 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 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 him or herself about, and to observe, any such restrictions. Any dispute arising out of the Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai only. This Draft Red Herring Prospectus does not constitute an invitation to subscribe to or purchase the Equity Shares in the Issue in any jurisdiction, including India. 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 has been filed with the SEBI for its observations. Accordingly, the Equity Shares represented thereby may not be issued, directly or indirectly, and the 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 since the date of this Draft Red Herring Prospectus or that the information contained herein is correct as at any time subsequent to this date. Invitations to

subscribe to or purchase the Equity Shares in the Issue will be made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Issue, which comprises the Red Herring Prospectus and the preliminary international wrap for the Issue, if the recipient is outside India.

No person outside India is eligible to Bid for Equity Shares in the Issue unless that person has received the preliminary offering memorandum for the Issue, which contains the selling restrictions for the Issue outside India.

The Equity Shares offered in the Issue 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. Accordingly, the Equity Shares are being offered and sold (i) within the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act and referred to in this Draft Red Herring Prospectus as “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 in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales are made. 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.

Until the expiry of 40 days after the commencement of this Issue, an offer or sale of Equity Shares within the United States by a dealer (whether or not it is participating in this Issue) may violate the registration requirements of the U.S. Securities Act if such an offer for sale is made otherwise than in compliance with the available exemptions from registration under the U.S. Securities Act.

Equity Shares Issued and Sold within the United States

Each purchaser that is acquiring the Equity Shares offered pursuant to this Issue within the United States, by its acceptance of this Draft Red Herring Prospectus and of the Equity Shares, will be deemed to have acknowledged, represented to and agreed with our Company and the BRLMs that it has received a copy of this Draft Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

1. the purchaser is authorized to consummate the purchase of the Equity Shares offered pursuant to this Issue in compliance with all applicable laws and regulations;
2. the purchaser acknowledges that the Equity Shares offered pursuant to this Issue have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and accordingly 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;
3. the purchaser (i) is a U.S. QIB, (ii) is aware that the sale to it is being made in a transaction exempt from or not subject to the registration requirements of the U.S. Securities Act, and (iii) is acquiring such Equity Shares for its own account or for the account of a U.S. QIB with respect to which it exercises sole investment discretion;
4. the purchaser is not an affiliate of our Company or a person acting on behalf of an affiliate;
5. if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (A) (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a U.S. QIB in a transaction meeting the requirements of Rule 144A under the U.S. Securities Act or (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act and (B) in accordance with all applicable laws, including the securities laws of the states of the United States. The purchaser understands that the transfer restrictions will remain in effect until our Company determines, in its sole discretion, to remove them;
6. the Equity Shares are “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any such Equity Shares;
7. the purchaser will not deposit or cause to be deposited such Equity Shares into any depository receipt facility established or maintained by a depository bank other than a Rule 144A restricted depository receipt facility, so long as such Equity Shares are “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act;

8. the purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any “directed selling efforts” as defined in Regulation S under the U.S. Securities Act in the United States with respect to the Equity Shares;

9. the purchaser understands that such Equity Shares (to the extent they are in certificated form), unless our Company determines otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

THE EQUITY SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON WHOM THE SELLER OR ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE U.S. SECURITIES ACT IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE U.S. SECURITIES ACT, OR (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.

10. Our Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; and

11. the purchaser acknowledges that our Company, the BRLMs, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify our Company, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

All Other Equity Shares Issued

Each purchaser that is acquiring the Equity Shares offered pursuant to this Issue outside the United States, by its acceptance of this Draft Red Herring Prospectus and of the Equity Shares offered pursuant to this Issue, will be deemed to have acknowledged, represented to and agreed with our Company and the BRLMs that it has received a copy of this Draft Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

1. the purchaser is authorized to consummate the purchase of the Equity Shares offered pursuant to this Issue in compliance with all applicable laws and regulations;

2. the purchaser acknowledges that the Equity Shares offered pursuant to this Issue have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and accordingly 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;

3. the purchaser is purchasing the Equity Shares offered pursuant to this Issue in an offshore transaction meeting the requirements of Rule 903 of Regulation S under the U.S. Securities Act;

4. the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the Equity Shares offered pursuant to this Issue, was located outside the United States at the time (i) the offer for such Equity Shares was made to it and (ii) when the buy order for such Equity Shares was originated and continues to be located outside the United States and has not purchased such Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of such Equity Shares or any economic interest therein to any person in the United States;

5. the purchaser is not an affiliate of our Company or a person acting on behalf of an affiliate;

6. if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (A) (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a U.S. QIB in a transaction meeting the requirements of Rule 144A or (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act and (B) in accordance with all applicable laws,

including the securities laws of the States of the United States. The purchaser understands that the transfer restrictions will remain in effect until our Company determines, in its sole discretion, to remove them;

7. the purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any “directed selling efforts” as defined in Regulation S under the U.S. Securities Act in the United States with respect to the Equity Shares;
8. the purchaser understands that such Equity Shares (to the extent they are in certificated form), unless our Company determine otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

THE EQUITY SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON WHOM THE SELLER OR ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE U.S. SECURITIES ACT IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, OR (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.

9. our Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; and
10. the purchaser acknowledges that our Company, the BRLMs, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify our Company, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

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 pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

European Economic Area

In relation to each European Economic Area State that has implemented the Prospectus Directive (Directive 2003/71/EC) and amendments thereto, including Directive 2010/73/EU and to the extent applicable, Prospectus Regulation (EU) 2017/1129 (each, a “**Relevant Member State**”), an offer to the public of any Equity Shares may be made at any time under the following exemptions under the Prospectus Regulations, if they have been implemented in that Relevant Member State:

- (a) to any legal entity which is a qualified investor as defined under the Prospectus Regulations;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Directive), subject to obtaining the prior consent of the BRLMs; or
- (c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Equity Shares shall result in a requirement for our Company or any BRLM to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 23 of the Prospectus Directive.

For the purposes of this paragraph, the expression an “offer to the public” in relation to the Equity Shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Equity Shares, and the expression “Prospectus Directive” means Regulation (EU) 2017/1129.

United Kingdom

No Equity Shares have been offered or will be offered pursuant to the Issue to the public in the United Kingdom prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the Financial Conduct Authority is to

be treated as if it had been approved by the Financial Conduct Authority in accordance with the transitional provisions in Article 74 (transitional provisions) of the Prospectus Amendment etc. (EU Exit) Regulations 2019/1234, except that it may make an offer to the public in the United Kingdom of any Equity Shares at any time:

- (a) to any legal entity which is a qualified investor as defined under the UK Prospectus Regulation;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of BRLMs for any such offer; or
- (c) in any other circumstances falling within Section 86 of the FSMA.

provided that no such offer of Equity Shares shall result in a requirement for our Company or any BRLM to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an “offer to the public” in relation to the Equity Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Equity Shares and the expression “UK Prospectus Regulation” means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or the 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

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 the 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.

Disclaimer Clause of BSE

As required, a copy of this Draft Red Herring Prospectus has been 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 and the Prospectus prior to the RoC filing.

Disclaimer Clause of NSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

Listing

The Equity Shares offered through the Red Herring Prospectus and the Prospectus are proposed to be listed on BSE and NSE. Applications 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.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by the Stock Exchanges, our Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus in accordance with applicable law. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of Equity Shares at the Stock Exchanges are taken within such time prescribed by SEBI. If our Company does not Allot Equity Shares pursuant to the Issue within such timeline as prescribed by SEBI, it shall repay without interest all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period or such other rate prescribed by SEBI.

Consents

Consents in writing of each of our Directors, our Company Secretary and Compliance Officer, Legal Counsel to our Company as to Indian Law, Legal Counsel to the BRLMs as to Indian Law, International Legal Counsel to the BRLMs, Bankers to our Company, the BRLMs, Registrar to the Issue, Statutory Auditors, Independent Chartered Accountant, 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. Further, consents in writing of the Syndicate Members, Escrow Collection Bank(s)/Refund Bank(s)/ Public Issue Account/ Sponsor Banks and Monitoring Agency, 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 for filing with the RoC.

Expert to the Issue

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

Our Company has received written consent dated March 25, 2022 from our Statutory Auditors, namely, MSKA & Associates, holding a valid peer review certificate from the ICAI, to include their name in this Draft Red Herring Prospectus as required under Section 26(5) of the Companies Act read with SEBI ICDR Regulations 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 their (i) examination report, dated December 8, 2021 on our Restated Financial Information; and (ii) their report dated March 25, 2022 on the statement of special tax benefits included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

In addition, our Company has also received (i) written consent dated March 21, 2022 from Technopak, in relation to the Industry Report with respect to our Company and (ii) written consent dated March 25, 2022 from the Independent Chartered Accountant, R.G.N. Price & Co., Chartered Accountants, to include their name in this Draft Red Herring Prospectus and as an “expert” as defined under section 2(38) and 26(5) of the Companies Act, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

The term “expert” shall not be construed to mean an expert as defined under the U.S. Securities Act.

Particulars regarding public or rights issues during the last five years

Our Company has not made any public or rights issue of Equity Shares during the five years immediately preceding the date of this Draft Red Herring Prospectus.

Particulars regarding capital issues by our Company and listed promoters, subsidiaries, group companies, associate entities during the last three years

Other than as disclosed in “*Capital Structure*” on page 67, our Company has not made any capital issues during the three years preceding the date of this Draft Red Herring Prospectus.

Our Company does not have a corporate promoter, subsidiary or associate company. Our Company does not have a listed group company.

Our Group Companies have not made any public or rights issue of securities in the preceding three years.

Commission and Brokerage paid on previous issues of the Equity Shares in the last five years

Since this is an initial public offering of Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares in the last five years.

Price information of past issues handled by the BRLMs

1) Edelweiss

1. Price information of past issues handled by Edelweiss

Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Edelweiss.

Sr. No.	Issue name	Issue size (₹ millions)	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 th calendar days from listing
1.	Vedant Fashions Limited	31,491.95	866.00	February 16, 2022	935.00	3.99% [-0.20%]	Not Applicable	Not Applicable
2.	MedPlus Health Services Limited	13,982.95	796.00 [@]	December 23, 2021	1,015.00	53.22% [3.00%]	23.06% [1.18%]	Not Applicable
3.	Tarsons Products Limited	10,234.74	662.00 ^{\$}	November 26, 2021	700.00	-4.16% [0.03%]	-4.46% [0.22%]	Not Applicable
4.	S. J. S. Enterprises Limited	8,000.00	542.00	November 15, 2021	542.00	-24.99% [-4.33%]	-29.33% [-4.06%]	Not Applicable
5.	Vijaya Diagnostic Centre Limited	18,942.56	531.00 [*]	September 14, 2021	540.00	5.41% [4.50%]	8.08% [0.76%]	-20.59% [-4.31%]
6.	Aptus Value Housing Finance India Limited	27,800.52	353.00	August 24, 2021	333.00	-2.82% [5.55%]	-0.82% [6.86%]	0.64% [3.92%]
7.	Devyani International Limited	18,380.00	90.00	August 16, 2021	140.90	32.83% [4.93%]	78.39% [9.30%]	97.17% [4.90%]
8.	Powergrid Infrastructure Investment Trust	77,349.91	100.00	May 14, 2021	104.00	14.00% [7.64%]	22.04% [10.93%]	21.83% [22.94%]
9.	Macrotech Developers Limited	25,000.00	486.00	April 19, 2021	439.00	30.19% [-4.68%]	75.62% [10.85%]	146.92% [27.86%]
10.	Stove Kraft Limited	4,126.25	385.00	February 5, 2021	467.00	30.70% [-0.64%]	28.96% [-4.05%]	114.38% [6.09%]

Source: www.nseindia.com and www.bseindia.com

*Vijaya Diagnostic Centre Limited - A discount of ₹ 52 per equity share was offered to eligible employees bidding in the employee reservation portion. All calculations are based on the offer price of ₹531 per equity share

\$Tarsons Products Limited - A discount of ₹ 61 per equity share was offered to eligible employees bidding in the employee reservation portion. All calculations are based on the offer price of ₹662 per equity share.

@MedPlus Health Services Limited - A discount of ₹ 78 per equity share was offered to eligible employees bidding in the employee reservation portion. All calculations are based on the offer price of ₹796 per equity share.

#As per Prospectus

Notes

- Based on date of listing.
- % of change in closing price on 30th / 90th / 180th calendar day from listing day is calculated vs issue price. % change in closing benchmark index is calculated based on closing index on listing day vs closing index on 30th / 90th / 180th calendar day from listing day.
- Wherever 30th / 90th / 180th calendar day from listing day is a holiday, the closing data of the previous trading day has been considered.
- Designated Stock Exchange as disclosed by the respective Issuer at the time of the issue has been considered for disclosing the price information and benchmark index.
- Not Applicable. – Period not completed

6. Disclosure in Table-1 restricted to 10 issues.

2. Summary statement of price information of past issues handled by Edelweiss

Financial Year	Total no. of IPOs	Total funds Raised (₹ in Million)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2021-22*	9	2,31,182.63	-	-	3	1	2	3	-	-	1	2	-	2
2020-21	7	45,530.35	-	-	1	3	1	2	-	-	1	5	1	-
2019-20	3	23,208.49	-	-	-	-	1	2	-	1	-	1	-	1

The information is as on the date of the document

1. Based on date of listing.

2. Wherever 30th and 180th calendar day from listing day is a holiday, the closing data of the previous trading day has been considered.

3. Designated Stock Exchange as disclosed by the respective Issuer at the time of the issue has been considered for disclosing the price information and benchmark index.

*For the financial year 2021-22- 9 issues have been completed of which 5 issues have completed 180 calendar days.

#As per Prospectus

2) **Haitong**

1. Price information of past issues handled by Haitong

Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Haitong.

S. No.	Issue Name	Issue Size (₹ million)	Issue price (₹)	Listing Date	Opening Price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 th calendar days from listing
a)	Gland Pharma Limited ¹	64,795.45	1500.00	November 20, 2020	1,710.00	+48.43% [+7.01%]	+57.27% [+18.27%]	+104.17% [+17.49%]
b)	Latent View Analytics Limited ²	6,000.00	197.00	November 23, 2021	530.00	+153.58% [-2.96%]	+142.08% [-1.42%]	-

1-The CNX NIFTY is considered as the Benchmark Index./Price on NSE is considered

2- The BSE is considered as the Benchmark Index./Price on BSE is considered

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

b. In case 30th/90th/180th day is not a trading day, closing price on NSE/BSE of the previous trading day has been considered.

c. In case 30 calendar days, 90 calendar days and 180 calendar days, as applicable, from listing date has not elapsed, data for same is not available

2. Summary statement of price information of past issues handled by Haitong:

Fiscal Year	Total no. of	Total amount	No. of IPOs trading at discount - 30 th calendar days from listing	No. of IPOs trading at premium - 30 th calendar days from listing	No. of IPOs trading at discount - 180 th calendar days from listing	No. of IPOs trading at premium - 180 th calendar days from listing
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	IPOs	of funds raised (₹ Mn.)	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2021-2022*	1	6,000.00	-	-	-	1	-	-	-	-	-	-	-	-
2020-2021	1	64,795.45	-	-	-	-	1	-	-	-	-	1	-	-
2019-2020	-	-	-	-	-	-	-	-	-	-	-	-	-	-

* The information is as on the date of the document

The information for each of the financial years is based on issues listed during such financial year

3) Motilal Oswal

1. Price information of past issues handled by Motilal Oswal

Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Motilal Oswal.

S. No.	Issue Name	Issue Size (₹ million)	Issue price (₹)	Listing Date	Opening Price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 th calendar days from listing
a)	GR Infraprojects Limited ^{4@}	9,623.34	837	July 19, 2021	1,700.00	+90.61%, [+6.16%]	+138.67%, [+16.65%]	+132.16%, [+16.50%]
b)	Devyani International Limited ^{\$}	18,380.00	90	August 16, 2021	140.90	+32.83%, [+4.93%]	+78.39%, [+9.30%]	+97.17%, [+4.90%]
c)	Aditya Birla Sun Life AMC Limited ^{\$}	27,682.56	712	October 11, 2021	715.00	-11.36%, [+0.55%]	-23.85%, [-0.74%]	Not applicable ⁵
d)	Metro Brands Limited [@]	13,675.05	500	December 22, 2021	436.00	+21.77%, [+4.45%]	+14.57%, [+0.64%]	Not applicable ⁵

Source: Information has been taken from (nseindia.com, bseindia.com) as per respective Designated Stock Exchange of the above Issuer Companies, as applicable

@Designated stock exchange being BSE

\$Designated stock exchange being NSE

Notes:

1. The S&P CNX NIFTY or S&P BSE SENSEX is considered as the Benchmark Index, depending upon the Designated Stock Exchange
2. Price is taken from NSE or BSE, depending upon Designated Stock Exchange for the above calculations.
3. The 30th, 90th and 180th calendar day computation includes the listing day. If either of the 30th, 90th or 180th calendar days is a trading holiday, the previous trading day is considered for the computation. We have taken the issue price to calculate the % change in closing price as on 30th, 90th and 180th day. We have taken the closing price of the applicable benchmark index as on the listing day to calculate the % change in closing price of the benchmark as on 30th, 90th and 180th day.
4. Discount of ₹42.00 per Equity Share was offered to eligible employees bidding in the Employee Reservation Portion
5. Not applicable – Period not completed

2. Summary statement of price information of past issues handled by Motilal Oswal:

Fiscal	Total no. of IPOs	Total amount of funds raised (₹ Mn.)	No. of IPOs trading at discount - 30 th calendar days from listing			No. of IPOs trading at premium - 30 th calendar days from listing			No. of IPOs trading at discount - 180 th calendar days from listing			No. of IPOs trading at premium - 180 th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2021-22*	4	69,360.95	-	-	1	1	1	1	-	-	-	2	-	-
2020-21	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-	-	-	-	-	-

* The information is as on the date of this DRHP.

The information for each of the financial years is based on issues listed during such financial year.

Notes: Since 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available

Data for number of IPOs trading at premium/discount taken at closing price on NSE or BSE on the respective date, depending upon the Designated Stock Exchange.

4) SBICAP

1. Price information of past issues handled by SBICAP

Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by SBICAP.

S. No.	Issue Name	Issue Size (₹ million)	Issue price (₹)	Listing Date	Opening Price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 th calendar days from listing
a)	Star Health and Allied Insurance Company Limited ^{(1)#}	64,004.39	900.00	December 10, 2021	845.00	-14.78% [+1.72%]	-29.79% [-6.66%]	NA
b)	Tarsons Products Limited ^{(2)@}	8,738.40	662.00	November 26, 2021	700.00	-4.16% [+0.03%]	-4.46% [+0.22%]	NA
c)	Aditya Birla Sun Life AMC Limited [#]	27,682.56	712.00	October 11, 2021	715.00	-11.36% [+0.55%]	-23.85% [-0.74%]	NA
d)	Nuvoco Vistas Corporation Limited [@]	50,000.00	570.00	August 23, 2021	471.00	-5.83% [+6.21%]	-9.74% [+7.34%]	-32.76% [4.10%]
e)	Windlas Biotech Limited [@]	4,015.35	460.00	August 16, 2021	439.00	-18.02% [+4.79%]	-34.42% [+9.18%]	-37.01% [+4.62%]
f)	Glenmark Life Sciences Limited [@]	15,136.00	720.00	August 06, 2021	751.10	-6.38% [+7.10%]	-12.94% [+10.12%]	-20.67% [+8.45%]
g)	G R Infraprojects Limited ^{(3)@}	9,623.34	837.00	July 19, 2021	1,700.00	90.61% [+6.16%]	138.67% [+16.65%]	132.16% [+16.50%]
h)	Shyam Metals and Energy Limited ^{(4)@}	9,085.50	306.00	June 24, 2021	367.00	41.08% [+0.53%]	22.88% [+11.97%]	0.96% [+5.93%]
i)	Macrotech Developers Limited [@]	25,000.00	486.00	April 19, 2021	439.00	30.19% [+4.68%]	75.62% [+10.83%]	146.92% [+27.86%]
j)	Barbeque-Nation Hospitality	4,528.74	500.00	April 07, 2021	489.85	18.77% [-0.64%]	76.97% [+6.85%]	122.53% [+18.31%]

S. No.	Issue Name	Issue Size (₹ million)	Issue price (₹)	Listing Date	Opening Price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 th calendar days from listing
	Limited [#]							

Source: www.nseindia.com and www.bseindia.com

Notes:

* The 30th, 90th and 180th calendar day computation includes the listing day. If either of the 30th, 90th or 180th calendar days is a trading holiday, the previous trading day is considered for the computation. We have taken the issue price to calculate the % change in closing price as on 30th, 90th and 180th day. We have taken the closing price of the applicable benchmark index as on the listing day to calculate the % change in closing price of the benchmark as on 30th, 90th and 180th day.

**The information is as on the date of this document.

*The information for each of the financial years is based on issues listed during such financial year.

@ The S&P BSE SENSEX index is considered as the Benchmark Index, BSE being the designated stock exchange

The Nifty 50 index is considered as the Benchmark Index, NSE being the designated stock exchange

1 Price for eligible employee was Rs 820.00 per equity share

2 Price for eligible employee was Rs 639.00 per equity share

3 Price for eligible employee was Rs 795.00 per equity share

4 Price for eligible employee was Rs 291.00 per equity share

2. Summary statement of price information of past issues handled by SBICAP:

Fiscal	Total no. of IPOs	Total amount of funds raised (₹ Mn.)	No. of IPOs trading at discount - 30 th calendar days from listing			No. of IPOs trading at premium - 30 th calendar days from listing			No. of IPOs trading at discount - 180 th calendar days from listing			No. of IPOs trading at premium - 180 th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2021-22*	10	2,17,814.28	-	-	6	1	2	1	-	2	1	3	-	1
2020-21	7	1,05,087.00	-	-	5	-	2	-	-	1	3	-	2	1
2019-20	3	138,283.86	-	1	1	1	-	-	1	-	-	1	-	1

* The information is as on the date of this DRHP.

Date of Listing for the issue is used to determine which financial year that particular issue falls into

Track record of past issues handled by the BRLMs

For details regarding the track record of the BRLMs, as specified in the SEBI circular dated January 10, 2012, bearing reference number CIR/MIRSD/1/2012, please see the websites of the BRLMs, as provided in the table below.

S. No.	Name of the BRLM	Website
1.	Edelweiss	www.edelweissfin.com
2.	Haitong	http://www.htisec.com/en-us/haitong-india
3.	Motilal Oswal	www.motilaloswalgroup.com
4.	SBICAP	www.sbicaps.com

Stock Market Data of Equity Shares

This being an initial public offer of Equity Shares 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

The Registrar Agreement provides for the retention of records with the Registrar to the Issue for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

In terms of SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and subject to applicable law, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. Further, the investors shall be compensated by the SCSBs in accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 in the events of delayed unblock for cancelled/withdrawn/deleted applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for non-allotted/partially-allotted applications, for the stipulated period. In an event there is a delay in redressal of the investor grievance in relation to unblocking of amounts, the Book Running Lead Managers shall compensate the investors at the rate higher of ₹ 100 or 15% per annum of the application amount for the period of such delay.

All Issue-related grievances may be addressed to the Registrar to the Issue 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, UPI 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.

The Registrar to the Issue 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 Issue 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 Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

Anchor Investors are required to address all grievances in relation to the Issue 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 herein.

Our Company does not have any listed subsidiaries.

Disposal of Investor Grievances by our Company

Our Company has obtained authentication on the SCORES and will comply with the SEBI circular no. CIR/OIAE/1/2013 dated April 17, 2013 and SEBI circular (CIR/OIAE/1/2014) dated December 18, 2014 in relation to redressal of investor grievances through SCORES.

Our Company estimates that the average time required by our Company or the Registrar to the Issue or the SCSB in case of ASBA Bidders, for the redressal of routine investor grievances shall be 10 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 not received any investor grievances in the last three Financial Years prior to the filing of this Draft Red Herring Prospectus. As at the date of this Draft Red Herring Prospectus there are no outstanding investor grievances.

Our Company has also appointed Geetha G. Nair, Company Secretary of our Company, as the Compliance Officer for the Issue. For details, see “*General Information*” on page 60.

Our Company has constituted a Stakeholders’ Relationship Committee comprising Alex Kalluvila Babu (*Chairman*), John Paul Joy Alukkas and Pushpy B. Muricken as members. For details, see “*Our Management – Committees of the Board - Stakeholders’ Relationship Committee*” on page 165.

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

An exemption application dated March 26, 2022 under Regulation 300(1)(c) of the SEBI ICDR Regulations has been submitted to SEBI seeking an exemption from identifying, (i) certain immediate relatives of our Promoter, Alukkas Varghese Joy; (ii) body corporates in which 20% or more of the equity share capital is held by such immediate relatives or any Hindu undivided families or firms of which such immediate relatives are members; (iii) body corporates in which the body corporates referred to in (ii) hold 20% or more of the equity share capital; and (iv) Hindu undivided families or firms in which the aggregate shareholding of such persons is equal to 20% or more of the total capital (collectively, “**Disassociated Group**”), as members of the promoter group in terms of Regulation 2(1)(pp)(ii) and (iv) of the SEBI ICDR Regulations in the Issue documents, and from including any confirmations or disclosures required from a member of the Disassociated Group in the Issue documents and in connection with the Issue.

For further details, see “*Our Promoter and Promoter Group*” on page 173.

SECTION VII: ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being offered and Allotted pursuant to the Issue shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR, the MoA, AoA, SEBI Listing Regulations, the terms of the Red Herring Prospectus, the Prospectus, the abridged prospectus, Bid cum Application Form, the Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in other documents/ certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by the SEBI, the Government of India, the Stock Exchanges, the RoC and/or any other authorities while granting its approval for the Issue.

Ranking of the Equity Shares

The Allottees upon Allotment of Equity Shares under the Issue will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. The Equity Shares transferred in the Issue shall be *pari passu* with the existing Equity Shares in all respects including dividends. For further details, see “*Description of Equity Shares and Terms of Articles of Association*” on page 340.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, the Memorandum and Articles of Association and provisions of the SEBI Listing Regulations and any other guidelines or directions which may be issued by the Government in this regard. Dividends, if any, declared by our Company after the date of Allotment, will be payable to the Bidders who have been Allotted Equity Shares in the Issue, for the entire year, in accordance with applicable laws. For further details, in relation to dividends, see “*Dividend Policy*” and “*Description of Equity Shares and Terms of Articles of Association*” on pages 181 and 340, respectively.

Face Value, Issue Price and Price Band

The face value of each Equity Share is ₹10 and the Issue 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 Issue Price is ₹[●] per Equity Share.

The Price Band and the minimum Bid Lot size for the Issue will be decided by our Company in consultation with the BRLMs, and advertised in [●] editions of [●], an English national daily newspaper, [●] editions of [●], a Hindi national daily newspaper and [●] editions of [●], a Malayalam national daily newspaper, Malayalam being the regional language of Kerala, where our Registered and Corporate Office is located, each with wide circulation, at least two Working Days prior to the Bid/ Issue Opening Date and shall be 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, shall be pre-filled in the Bid cum Application Forms available on the respective websites of the Stock Exchanges.

At any given point of time, there shall be only one denomination for the Equity Shares.

The Issue

The Issue comprises a fresh issue of Equity Shares by the Company.

This being a fresh issue, the fees and expenses in relation to the Issue shall be borne by the Company.

For further details, please see “*Objects of the Issue – Issue Expenses*” on page 85.

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 Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, our equity Shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;

- Right to vote on a poll either in person or by proxy, in accordance with the provisions of the Companies Act;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability, subject to applicable laws including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed company under the Companies Act, the SEBI Listing Regulations and the Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see “*Description of Equity Shares and Terms of Articles of Association*” on page 340.

Allotment only in dematerialised form

Pursuant to Section 29 of the Companies Act, 2013 and the SEBI ICDR Regulations, 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 on the Stock Exchanges. In this context, our Company has entered into the following agreements with the respective Depositories and Registrar to the Issue:

- Tripartite agreement dated October 13, 2021 amongst our Company, NSDL and Registrar to the Issue; and
- Tripartite agreement dated October 5, 2021 amongst our Company, CDSL and Registrar to the Issue.

Market Lot and Trading Lot

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in the Issue will be in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares.

Joint Holders

Subject to the provisions of the Articles of Association, where two or more persons are registered as the holders of the Equity Shares, they will be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

Nomination facility to investors

In accordance with Section 72 of the Companies Act, 2013, read with the Companies (Share Capital and Debentures) Rules, 2014, the sole Bidder, or the First Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of Equity Share(s) by the person nominating. A 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 and Corporate Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- a) to register himself or herself as the holder of the Equity Shares; or
- b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the 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, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialised mode, there is no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the Bidder would prevail. If the Bidder wants to change the nomination, they are requested to inform their respective Depository Participant.

Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

Bid/Issue Programme

BID/ISSUE OPENS ON	[●] ⁽¹⁾
BID/ISSUE CLOSES ON	[●] ^{(2),(3)}

⁽¹⁾ Our Company may, in consultation with the BRLMs consider participation by Anchor Investors. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/ Issue Opening Date in accordance with the SEBI ICDR Regulations.

⁽²⁾ Our Company may in consultation with the BRLMs, consider closing the Bid/Issue Period for QIBs one day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations.

⁽³⁾ UPI mandate end time and date shall be at 12.00pm on [●].

An indicative timetable in respect of the Issue is set out below:

Event	Indicative Date
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account*	On or about [●]
Credit of Equity Shares to dematerialized accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about [●]

* In case of 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/Issue 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/Issue Closing Date by the SCSB responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. The post Issue 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. The Bidder shall be compensated in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and 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, which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs, to the extent applicable.

The above timetable, other than the Bid/Issue Closing Date, is indicative and does not constitute any obligation or liability 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 six Working Days of the Bid/Issue Closing Date, the timetable may be extended due to various factors, such as extension of the Bid/Issue Period by our Company in consultation with the BRLMs, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. 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.

Submission of Bids (other than Bids from Anchor Investors):

Bid/Issue Period (except the Bid/Issue Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time (“IST”))
Bid/Issue Closing Date*	
Submission and Revision in Bids	Only between 10.00 a.m. and 3.00 p.m. IST

* UPI mandate end time and date shall be at 12.00pm on [●]

On the Bid/ Issue Closing Date, the Bids shall be uploaded until:

- (i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and
- (ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by RIBs.

On Bid/Issue Closing Date, extension of time may be granted by Stock Exchanges only for uploading Bids received by RIBs after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

The Registrar to the Issue 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/ Issue Opening Date until the Bid/Issue 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.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs would be rejected.

Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Issue Closing Date, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will be accepted only during Working Days during the Bid/ Issue Period.

Our Company or any member of the Syndicate is liable for any failure in (i) uploading the Bids due to faults in any software/hardware system or otherwise; and (ii) the blocking of Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Banks on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

Our Company, in consultation with the BRLMs reserve the right to revise the Price Band during the Bid/Issue Period. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. In all circumstances, the Cap Price shall be at least 105% of the Floor Price and less than or equal to 120% of the Floor Price.

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

In case of discrepancy in data entered in the electronic book vis-vis data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

Minimum Subscription

If our Company does not receive (i) the minimum subscription of 90% of the Issue; or (ii) minimum subscription in the Issue as specified under Rule 19(2)(b) of the SCRR, including through devolvement of Underwriters, if any, in accordance with applicable laws, or if the subscription level falls below the thresholds mentioned above after the Bid/Issue Closing Date, 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 being issued or offered under the Red Herring Prospectus, our Company shall forthwith refund the entire subscription amount received in accordance with the applicable law. If there is a delay beyond the prescribed period, our Company becomes liable to pay the amount, our Company and our Directors, 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

There are no arrangements for disposal of odd lots since our Equity Shares will be traded in dematerialised form only and market lot for our Equity Shares will be one Equity Share.

New Financial Instruments

Our Company is not issuing any new financial instruments through the Issue.

Restrictions, if any on Transfer and Transmission of Equity Shares

Except for lock-in of the pre-Issue capital of our Company, lock-in of our Promoter's minimum contribution under the SEBI ICDR Regulations and the Anchor Investor lock-in as provided in "*Capital Structure*" on page 67 and except as provided under the Articles of Association, there are no restrictions on transfer of the Equity Shares. Further, there are no restrictions on transmission of any shares of our Company and on their consolidation or splitting, except as provided in the Articles of Association. For details, see "*Description of Equity Shares and Terms of Articles of Association*" on page 340.

Withdrawal of the Issue

Our Company, in consultation with the BRLMs, reserves the right not to proceed with the Issue, in whole or in part thereof, after the Bid/ Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two days of the Bid/ Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue and inform the Stock Exchanges

promptly on which the Equity Shares are proposed to be listed. The BRLMs, through the Registrar to the Issue, shall notify the SCSBs and the Sponsor Banks, 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 Issue to process refunds to the Anchor Investors, as the case may be.

If our Company in consultation with the BRLMs, withdraws the Issue after the Bid/ Issue Closing Date and thereafter determines that it will proceed with an issue of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI. Notwithstanding the foregoing, the Issue 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 approval of the RoC after the Prospectus is filed with the RoC.

ISSUE STRUCTURE

Issue 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 ₹23,000 million by our Company. The Issue shall constitute [●]% of the post- Issue paid-up Equity Share capital of our Company.

Particulars	QIBs ⁽¹⁾	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for Allotment or allocation ^{*(2)}	Not more than [●] Equity Shares	Not less than [●] Equity Shares available for allocation or Issue less allocation to QIB Bidders and RIBs	Not less than [●] Equity Shares available for allocation or Issue less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Issue size available for Allotment or allocation	Not more than 50% of the Issue being available for allocation to QIB Bidders. However, 5% of the Net QIB Portion will be available for allocation on a proportionate basis to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion	Not less than 15% of the Issue or Issue less allocation to QIB Bidders and RIBs shall be available for allocation 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 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 Bidders [^]	Not less than 35% of the Issue or the Issue less allocation to QIB Bidders and Non-Institutional Bidders
Basis of Allotment if respective category is oversubscribed*	<p>Proportionate as follows:</p> <p>a) up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and</p> <p>b) up to [●] Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above.</p> <p>Up to [●] Equity Shares may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Mutual Funds only</p>	The Allotment to each Non Institutional Bidders shall not be less than ₹200,000, subject to the availability of Equity Shares in Non Institutional Portion, and the remaining Equity Shares, if any, shall be Allotted on a proportionate basis or in any other manner as specified under applicable laws.	The allotment to each RIB 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 further details, see “ <i>Issue Procedure</i> ” on page 323.
Mode of Bid	Through ASBA Process only (except in case of Anchor Investors)		
Minimum Bid	Such number of Equity Shares in multiples of [●] Equity Shares such that the Bid Amount exceeds ₹ 200,000	Such number of Equity Shares in multiples of [●] Equity Shares such that the Bid Amount exceeds ₹ 200,000	[●] Equity Shares
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Issue, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Issue, (excluding the QIB Portion) subject to limits applicable to the Bidder	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹ 200,000
Mode of Allotment	Compulsorily in dematerialised form		
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter		
Allotment Lot	[●] Equity Shares and in multiples of one Equity Share thereafter		

Particulars	QIBs ⁽¹⁾	Non-Institutional Bidders	Retail Individual Bidders
Trading Lot	One Equity Share		
Who can apply ⁽³⁾	Public financial institutions as specified in Section 2(72) of the Companies Act 2013, scheduled commercial banks, mutual funds registered with SEBI, FPIs (other than individuals, corporate bodies and family offices), VCFs, AIFs, FVCIs, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with IRDAI, provident funds with minimum corpus of ₹250 million, pension funds with minimum corpus of ₹250 million, National Investment Funds set up by the Government, insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important NBFCs.	Resident Indian individuals, Eligible NRIs, HUFs (in the name of karta), companies, corporate bodies, scientific institutions, societies, trusts and FPIs who are individuals, corporate bodies and family offices	Resident Indian individuals, Eligible NRIs and HUFs (in the name of the karta)
Terms of Payment	<p>In case of Anchor Investors: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids⁽⁴⁾</p> <p>In case of all other Bidders: Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder, or by the Sponsor Banks through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form</p>		

* Assuming full subscription in the Issue

^ This allocation methodology is effective from April 1, 2022, if the Bid/Issue Opening Date is on or after April 1, 2022.

- (1) Our Company may, in consultation with the BRLMs allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the Net QIB Portion. For details, see "Issue Structure" on page 321.
- (2) Subject to valid Bids being received at or above the Issue Price. The Issue is being made in accordance with Rule 19(2)(b) of the SCRR and Regulation 6(1) of the SEBI ICDR Regulations.
- (3) 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.
- (4) Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Issue Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN.

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.

Subject to valid Bids being received at or above the Issue 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 at the discretion of our Company, in consultation with the Book Running Lead Managers and the Designated Stock Exchange, subject to applicable laws.

ISSUE PROCEDURE

All Bidders should read the General Information Document which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations which is part of the abridged prospectus accompanying the Bid cum Application Form. The General Information Document is available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue, including in relation to the process for Bids by RIBs through the UPI Mechanism.

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Issue; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders/Applicants; (v) issuance of CAN and Allotment in the Issue; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) submission of Bid cum Application Form; (viii) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (ix) applicable provisions of the Companies Act, 2013 relating to punishment for fictitious applications; (x) mode of making refunds; (xi) Designated Date; (xii) disposal of applications; and (xiii) interest in case of delay in allotment or refund.

SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, has introduced an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. (“UPI Phase I”). The UPI Phase I was effective until June 30, 2019.

With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by RIBs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days was mandated for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”). Subsequently, however, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II until further notice. The final reduced timeline will be made effective using the UPI Mechanism for applications by RIBs (“UPI Phase III”), as may be prescribed by SEBI. The Issue will be undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances, including the reduction of time period for unblocking of application monies from 15 days to four days. This circular is effective 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, as amended, are deemed to form part of this Draft Red Herring Prospectus.

Our Company and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated in this section and the GID 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 and the Members of the Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in the Issue.

Book Building Procedure

The Issue is being made in terms of Rule 19(2)(b) of the SCRR, through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Issue shall be allocated on a proportionate basis to QIBs, provided that our Company in consultation with the BRLMs, allocate up to 60% of the QIB Portion 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 domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allotment in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue 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 up to ₹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 Bidders* and not less than 35% of the Issue shall be available for allocation to RIBs in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price.

**Note: This allocation methodology is effective from April 1, 2022, if the Bid/Issue Opening Date is on or after April 1, 2022*

Under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange subject to receipt of valid Bids received at or above the Issue Price. Under-subscription, if any, in the QIB Portion, would not be allowed to be met with spill-over from any other category or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialised segment of the Stock Exchanges.

Bidders 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, PAN and UPI ID, for RIBs Bidding using the UPI Mechanism, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Issue, in compliance with Applicable Law.

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. 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 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 until June 30, 2019. Under this phase, a 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 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 has decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II until further notice. Under this phase, submission of the ASBA Form by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase.

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 Issue.

Pursuant to the UPI Circulars, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Circulars include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one day from the date on which the Basis of Allotment is 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 – Issue BRLM will be required to compensate the concerned investor.

The Issue will be made under UPI Phase II of the UPI Circulars, unless UPI Phase III of the UPI Circulars becomes effective and applicable on or prior to the Bid/Issue Opening Date. If the Issue is made under UPI Phase III of the UPI Circular, the same will be advertised in [●] editions of English national daily newspaper, [●], [●] editions of Hindi national daily newspaper, [●] and [●] editions of a Malayalam daily newspaper (Malayalam being the regional language of Kerala, where our Registered and Corporate Office is located) each with wide circulation, on or prior to the Bid/ Issue 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. The Company has appointed one of the SCSBs as the Sponsor Banks to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the RIBs using the UPI

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. Electronic copies of the Bid cum Application Forms will also be available for download on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com) at least one day prior to the Bid/ Issue Opening Date.

Copies of the Anchor Investor Application Form will be available at the offices of the BRLMs.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Issue only through the ASBA process. Anchor Investors are not permitted to participate in the Issue through the ASBA process. The RIBs can additionally Bid through the UPI Mechanism.

RIBs Bidding using the UPI Mechanism must provide the valid UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Forms that do not contain the UPI ID are liable to be rejected.

ASBA Bidders (other than Anchor Investors and RIBs using the 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.

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. RIBs 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 (except RIBs using the UPI Mechanism). 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 Banks, as applicable at the time of submitting the Bid.

Anchor Investors are not permitted to participate in the Issue through the ASBA process. For Anchor Investors, the Anchor Investor Application Form will be available with the BRLMs.

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 Bidders, RIBs 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 website of NSE (www.nseindia.com) and BSE (www.bseindia.com)
- (2) Bid cum Application Forms for Anchor Investors shall be available at the office of the BRLMs

In case of ASBA forms, the relevant Designated Intermediaries shall upload the relevant bid details in the electronic bidding system of the Stock Exchanges. For RIBs using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Banks on a continuous basis to enable the Sponsor Banks to initiate UPI Mandate Request to RIBs for blocking of funds. For ASBA Forms (other than RIBs 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.

For RIBs using the UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Banks on a continuous basis to enable the Sponsor Banks to initiate UPI Mandate Request to RIBs for blocking of funds. The Sponsor Banks 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. 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 Banks, 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 Banks and the issuer bank. The Sponsor Banks and the Bankers to the Issue shall provide the audit trail to the Book Running Lead Managers for analysing the same and fixing liability.

The Sponsor Banks 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 Banks will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the Book Running Lead Managers in the format and within the timelines as specified under the SEBI UPI Circulars. Sponsor Banks 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(s) on a continuous basis.

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.

The Sponsor Banks shall host a web portal for intermediaries (closed user group) from the date of Bid/ Issue Opening Date until 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 Issue Bidding process.

The processing fees for applications made by RIBs using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation in accordance 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.

Electronic registration of Bids

- a. 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 Issue.
- b. On the Bid/Issue Closing Date, the Designated Intermediaries may upload the Bids until such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.
- c. Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given until 1:00 pm on the next Working Day following the Bid/Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Issue Period after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

Participation by Promoter 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 the Issue in any manner, except towards fulfilling their underwriting obligations. However, subject to applicable laws, the associates and affiliates of the BRLMs and the Syndicate Members may Bid for Equity Shares in the Issue, either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders, 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.

Neither (i) the BRLMs or any associates of the BRLMs (except Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associate of BRLMs or AIFs sponsored by the entities which are associate of the BRLMs or FPIs (other than individuals, corporate bodies and family offices) sponsored by the entities which are associates of the BRLMs) nor (ii) any “person related to our Promoter/ Promoter Group” shall apply in the Issue under the Anchor Investor Portion.

For the purposes of this section, a QIB who has any of the following rights shall be deemed to be a “person related to our Promoter/ Promoter Group”: (a) rights under a shareholders’ agreement or voting agreement entered into with our Promoter or Promoter Group; (b) veto rights; or (c) right to appoint any nominee director on our Board.

Further, an Anchor Investor shall be deemed to be an associate of the BRLMs, if: (a) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (b) either of them,

directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (c) there is a common director, excluding a nominee director, amongst the Anchor Investor and the BRLMs.

Our Promoter and members of our Promoter Group will not participate in the Issue.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its NAV 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 authorise their respective SCSB (if they are Bidding directly through the SCSB) or confirm or accept the UPI Mandate Request (in case of Bidding through the UPI Mechanism) to block their Non-Resident External (“NRE”) accounts, or Foreign Currency Non-Resident (“FCNR”) Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorise their respective SCSB (if they are Bidding directly through SCSB) or confirm or accept the UPI Mandate Request (in case of Bidding through the UPI Mechanism) to block their Non-Resident Ordinary (“NRO”) accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

NRIs will be permitted to apply in the Issue through Channel I or Channel II (as specified in the UPI Circulars). Further, subject to applicable law, NRIs may use Channel IV (as specified in the UPI Circulars) to apply in the Issue, provided the UPI facility is enabled for their NRE/ NRO accounts. NRIs applying in the Issue through the UPI Mechanism are advised to enquire with the relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form. Our Company has, pursuant to a Board resolution dated October 18, 2021 and Shareholders' resolution dated October 20, 2021, increased the limit of investment of NRIs and OCIs from 10% to up to 24% of the paid-up equity share capital of the Company, provided however that the shareholding of each NRI in our Company shall not exceed 5% of the Equity Share capital or such other limit as may be stipulated by RBI in each case, from time to time.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents ([●] in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents ([●] in colour).

For details of investment by NRIs, see “*Restrictions on Foreign Ownership of Indian Securities*” on page 338. Participation of Eligible NRIs shall be subject to the FEMA Non-debt Instruments Rules.

Bids by HUFs

Bids by Hindu Undivided Families or HUFs, should be made in the individual name of the *Karta*. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: “Name of sole or First Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*”. Bids/Applications by HUFs will be considered at par with Bids/Applications from individuals.

Bids by FPIs

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, in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason.

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 Issue to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

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 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).

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. In terms of the FEMA Non-debt Instruments Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) such other conditions as may be specified by SEBI from time to time.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by, or on behalf of it subject to, *inter alia*, the following conditions:

- (a) such offshore derivative instruments are transferred to persons subject to fulfilment of SEBI FPI Regulations; and
- (b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred are pre-approved by the FPI.

The FPIs who wish to participate in the Issue are advised to use the Bid cum Application Form for Non-Residents (in [●] colour).

Further, Bids received from FPIs bearing the same PAN shall be treated as multiple Bids and are liable to be rejected, except for Bids from FPIs that utilize the multiple investment manager structure in accordance with the Operational Guidelines for FPIs and Designated Depository Participants issued to facilitate implementation of SEBI FPI Regulations (such structure referred to as "**MIM Structure**"), provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs. Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. 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 in the Bid cum Application Forms that the relevant FPIs making multiple Bids utilize the MIM Structure and indicate the names of their respective investment managers in such confirmations. In the absence of such confirmation from the relevant FPIs, such multiple Bids shall be rejected.

Please note that in terms of the General Information Document, the maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under applicable laws. Further, MIM Bids by an FPI Bidder utilising the MIM Structure shall be aggregated for determining the permissible maximum Bid. Further, please note that as disclosed in this Draft Red Herring Prospectus read with the General Information Document, Bid Cum Application Forms are liable to be rejected in the event that the Bid in the Bid cum Application Form “*exceeds the Issue size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus.*”

For example, an FPI must ensure that any Bid by a single FPI and/ or an investor group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) (collective, the “**FPI Group**”) shall be below 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis. Any Bids by FPIs and/ or the FPI Group (including but not limited to (a) FPIs Bidding through the MIM Structure; or (b) FPIs with separate registrations for offshore derivative instruments and proprietary derivative instruments) for 10% or more of our total paid-up post Issue Equity Share capital shall be liable to be rejected.

For details of investment by FPIs, see “*Restrictions on Foreign Ownership of Indian Securities*” on page 338. Participation of FPIs shall be subject to the FEMA Non-debt Instruments Rules.

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.

Bids by SEBI registered VCFs, AIFs and FVCIs

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. While the SEBI VCF Regulations have since been repealed, the funds registered as VCFs under the SEBI VCF Regulations continue to be regulated by such regulations until the existing fund or scheme managed by the fund is wound up. The holding in any company by any individual VCF or FVCIs registered with SEBI 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 in various prescribed instruments, including in public offering.

Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs. Category I AIFs and Category II AIFs cannot invest more than 25% of the investible funds in one investee company directly or through investment in the units of other AIFs. A Category III AIF cannot invest more than 10% of the investible funds in one investee company directly or through investment in the units of other AIFs. AIFs which are authorised under the fund documents to invest in units of AIFs are prohibited from offering their units for subscription to other AIFs. A VCF registered as a Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third of its investible funds 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 SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up.

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.

Our Company or the BRLMs will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company’s investment committee are required to be attached to the Bid cum Application Form, failing which our Company in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the as per the Banking Regulation Act, 1949, as amended, (“**Banking Regulation Act**”), and the Master Directions - Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended, 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 investee company, subject to prior approval of the RBI if (i) the investee company is engaged in non-financial activities permitted for banking companies in terms of Section 6(1) of the Banking Regulation Act; or (ii) the additional acquisition is through restructuring of debt, or to protect the banking company's interest on loans/investments made to a company. The bank is required to submit a time bound action plan to the RBI for the disposal of such shares within a specified period. Further no bank shall hold along with its subsidiaries, associates or joint ventures or entities directly or indirectly controlled by the bank; and mutual funds managed by asset management companies controlled by the bank, more than 20% of the investee company's paid up share capital engaged in non-financial services. However, this cap doesn't apply to the cases mentioned in (i) and (ii) above.

The aggregate equity investments made by a banking company in all subsidiaries and other entities engaged in financial services and non-financial services, including overseas investments shall not exceed 20% of the bank's paid-up share capital and reserves. Bids by banking companies should not exceed the investment limits prescribed for them under the applicable laws.

Bids by SCSBs

SCSBs participating in the Issue are required to comply with applicable law, including the terms of the SEBI circulars (Nos. 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 issues 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, in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers are prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2016, as amended ("**IRDAI Investment Regulations**"), based on investments in the equity shares of a company, the entire group of the investee company and the industry sector in which the investee company operates. Bidders are advised to refer to the IRDA Investment Regulations for specific investment limits applicable to them.

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 reserve 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 in consultation with the BRLMs reserve 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, reserve 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 NBFCs registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor, and (iii) such other approval as may be required by the Systemically Important NBFCs, are required to be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs, reserve the right to reject any Bid without assigning any reason thereof. Systemically Important NBFCs participating in the Issue 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.

In accordance with existing regulations issued by the RBI, OCBs cannot participate in the Issue.

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 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 the Red Herring Prospectus and the Prospectus.

Information for Bidders

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.

In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the BRLMs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus or the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

General Instructions

Do's:

1. 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. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form, as the case may be, in the prescribed form;
4. Ensure that you (other than in the case of Anchor Investors) have mentioned the correct ASBA Account number if you are not an RIB using the UPI Mechanism in the Bid cum Application Form and if you are an RIB using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;
5. RIBs using UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. RIBs shall ensure that the name of the app and the UPI handle which is used for making the application appears in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019;
6. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre (except in case of electronic Bids) within the prescribed time. Bidders (other than Anchor Investors) shall submit the Bid cum Application Form in the manner set out in the General Information Document;
7. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB, before submitting the ASBA Form to any of the Designated Intermediaries;
8. RIBs using UPI Mechanism, may submit their ASBA Forms with the Syndicate Members, Registered Brokers, RTAs or CDPs and should ensure that the ASBA Form contains the stamp of such Designated Intermediary;

9. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms. If the First Bidder is not the ASBA Account holder, ensure that the Bid cum Application Form is signed by the ASBA Account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
10. Ensure that you request for and receive a stamped acknowledgement counterfoil of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary, if applicable;
11. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. Ensure that the signature of the First Bidder is included in the Bid cum Application Forms;
12. RIBs Bidding in the Issue to ensure that they shall use only their own ASBA Account or only their own bank account linked UPI ID which is UPI 2.0 certified by NPCI (only for RIBs using the UPI Mechanism) to make an application in the Issue and not ASBA Account or bank account linked UPI ID of any third party;
13. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
14. RIBs not using the UPI Mechanism, should submit their Bid cum Application Form directly with SCSBs and/or the designated branches of SCSBs;
15. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB or Sponsor Banks, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid. In case of RIBs submitting their Bids and participating in the Issue through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Banks for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;
16. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular no. MRD/DoP/Cir-20/2008 dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining/specifying their PAN for transacting in the securities market, and (iii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
17. 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;
18. Ensure that the Demographic Details are updated, true and correct in all respects;
19. 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;
20. Ensure that the category and the investor status is indicated in the Bid cum Application Form;
21. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;
22. Ensure that Bids submitted by any person resident outside India is in compliance with applicable foreign and Indian laws;
23. Since the Allotment will be in dematerialised form only, ensure that the Bidder's depository account is active, the correct DP ID, Client ID, the PAN, UPI ID, if applicable, are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, the PAN and UPI ID, if applicable, entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, PAN and UPI ID, if applicable, available in the depository database;

24. Ensure that when applying in the Issue using UPI, the name of your SCSB appears in the list of SCSBs displayed on the SEBI website which are live on UPI;
25. RIBs who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which RIBs should ensure acceptance of the UPI Mandate Request received from the Sponsor Banks to authorise blocking of funds equivalent to the revised Bid Amount in the RIB's ASBA Account;
26. Anchor Investors should submit the Anchor Investor Application Forms to the BRLMs;
27. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Banks prior to 12:00 p.m. of the Working Day immediately after the Bid/ Issue Closing Date;
28. 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;
29. RIBs shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using his/her UPI PIN. Upon the authorisation of the mandate using his/her UPI PIN, an RIB may be deemed to have verified the attachment containing the application details of the RIB in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorised the Sponsor Banks to block the Bid Amount mentioned in the Bid Cum Application Form; and
30. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (other than for Anchor Investors and RIBs bidding using the UPI Mechanism) is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at www.sebi.gov.in).

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid for a Bid Amount exceeding ₹200,000 (for Bids by RIBs);
3. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;
4. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
5. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
6. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
7. Do not submit the Bid for an amount more than funds available in your ASBA account.
8. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of a Bidder;
9. In case of ASBA Bidders, do not submit more than one ASBA Forms per ASBA Account;
10. If you are a RIB and are using UPI mechanism, do not submit more than one ASBA Form for each UPI ID;
11. Anchor Investors should not Bid through the ASBA process;
12. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;
13. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
14. Do not submit the General Index Register (GIR) number instead of the PAN;

15. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID, if applicable, or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
16. 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;
17. 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);
18. Do not submit a Bid/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;
19. Do not submit a Bid using UPI ID, if you are not a RIB;
20. Do not Bid on another ASBA Form or the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;
21. Do not Bid for Equity Shares in excess of what is specified for each category;
22. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for, exceeds the Issue size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus;
23. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder. RIBs can revise or withdraw their Bids on or before the Bid/Issue Closing Date;
24. Do not submit Bids to a Designated Intermediary at a location other than the Bidding Centres;
25. If you are an RIB which is submitting the ASBA Form with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third party bank account or third party linked bank account UPI ID;
26. 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 RIBs using the UPI Mechanism;
27. Do not submit a Bid cum Application Form with a third-party UPI ID or using a third party bank account (in case of Bids submitted by RIBs using the UPI Mechanism);
28. RIBs Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned in the list provided on the SEBI website is liable to be rejected; and
29. Do not Bid if you are an OCB.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Further, in case of any pre-Issue or post Issue related issues regarding share certificates/ dematerialised credit/refund orders/unblocking etc., investors can reach out to our Company Secretary and Compliance Officer. For details of our Company Secretary and Compliance Officer, see “*General Information*” on page 60.

For helpline details of the BRLMs pursuant to the SEBI/HO/CFD/DIL-2/OW/P/2021/2481/1/M dated March 16, 2021, see “*General Information - Book Running Lead Managers*” on page 61.

In case of 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/Issue 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/Issue Closing Date by the SCSB responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the

liability on such intermediary or entity responsible for such delay in unblocking. The post Issue 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. The Bidder shall be compensated in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and 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, which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs, to the extent applicable.

The BRLMs shall be the nodal entity for any issues arising out of the public issuance process. In terms of Regulation 23(5) and Regulation 271 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 BRLMs shall continue to coordinate with intermediaries involved in the said process.

Further, Investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The 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.

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 through the Red Herring Prospectus and the Prospectus except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange.

The allotment of Equity Shares to applicants other than to the RIBs, 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 RIB shall not be less than the minimum bid lot, subject to the availability of shares in RIB Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. The allotment to each Non-Institutional Bidder shall not be less than ₹200,000, subject to the availability of Equity Shares in Non-Institutional Portion, and the remaining Equity Shares, if any, shall be allotted on a proportionate basis.*

**This allocation methodology is effective from April 1, 2022, if the Bid/Issue Opening Date is on or after April 1, 2022.*

Payment into Escrow Account(s) for Anchor Investors

Our Company 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. For Anchor Investors, the payment instruments for payment into the Escrow Account(s) should be drawn in favour of:

- (a) In case of resident Anchor Investors: “[●]”
- (b) 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 and the Syndicate, the Escrow Collection Bank and the Registrar to the Issue to facilitate collections of Bid amounts from Anchor Investors.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company shall, after filing the Red Herring Prospectus with the RoC, publish a pre- Issue advertisement, in the form prescribed by the SEBI ICDR Regulations, in: (i) [●] editions of [●], an English national daily newspaper, [●] editions of [●], a Hindi national daily newspaper and [●] editions of [●] a Malayalam national daily newspaper, Malayalam being the regional language of Kerala, where our Registered and Corporate Office is located, each with wide circulation.

In the pre-Issue advertisement, we shall state the Bid/ Issue Opening Date and the Bid/ Issue 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.

The above information is given for the benefit of the Bidders/applicants. Our Company and the members of the Syndicate 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.

Signing of the Underwriting Agreement and the RoC Filing

- (a) Our Company and the Underwriters intend to enter into an Underwriting Agreement on or immediately after the finalisation of the Issue Price but prior to the filing of Prospectus.
- (b) After signing the Underwriting Agreement, an updated 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 Issue Price, the Anchor Investor Issue Price, Issue size, and underwriting arrangements and will be complete in all material respects.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:

“Any person who:

- (a) *makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (b) *makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

shall be liable for action under Section 447.”

The liability prescribed under Section 447 of the Companies Act, for fraud involving an amount of at least ₹ 1 million or 1% of the turnover of our 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.

Undertakings by our Company

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders (including Anchor Investor Application Form from Anchor Investors);
- the complaints received in respect of the Issue 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 shall be taken within six Working Days of the Bid/Issue Closing Date or such other period as may be prescribed by the 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 the extent applicable) to unsuccessful Bidders as per the mode(s) disclosed shall be made available to the Registrar to the Issue 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;
- No further issue of the Equity Shares shall be made until the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc.;
- Promoter's contribution in full, wherever required, shall be brought in advance before the Bid/Issue Opening Date and the balance, if any, shall be brought on a pro rata basis before the calls are made on public in accordance with applicable law;
- our Company in consultation with the BRLMs, reserve the right not to proceed with the Issue, in whole or in part thereof, after the Bid/ Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two days of the Bid/ Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue and inform the Stock Exchanges promptly on which the Equity Shares are proposed to be listed; and
- if our Company in consultation with the BRLMs withdraw the Issue after the Bid/ Issue Closing Date and thereafter determines that it will proceed with an issue of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI.
- that 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.

Utilisation of Issue Proceeds

Our Board of Directors certifies and declares that:

- all monies received out of the Issue 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;
- details of all monies utilised out of the Issue shall be disclosed, and continue to be disclosed till the time any part of the Issue proceeds remains un-utilised, 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 un-utilised monies out of the Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such un-utilised monies have been invested.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment. The Government has from time to time made policy pronouncements on foreign direct investment (“FDI”) through press notes and press releases. The DPIIT, issued the Consolidated FDI Policy by way of circular bearing number DPIIT File Number 5(2)/ 2020-FDI Policy dated October 15, 2020 (“FDI Policy”), which, with effect from October 15, 2020 consolidated and superseded all previous press notes, press releases, circulars and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The FDI Policy will be valid until the DPIIT issues an updated circular.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI Policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

As per the existing policy of the Government of India, OCBs cannot participate in the Issue.

Foreign Exchange Laws

The foreign investment in our Company is governed by *inter alia* the FEMA, as amended, the FEMA Non-debt Instruments Rules, the FDI Policy issued and amended by way of press notes.

Pursuant to the FDI Policy, FDI of up to 100% is permitted under the automatic route in our Company.

In terms of the FEMA Non-debt Instruments Rules, a person resident outside India may make investments into India, subject to certain terms and conditions. In terms of the FEMA Non-debt Instruments Rules and the FDI Policy, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land borders 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 FEMA Non-debt Instruments Rules. 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 or fund in India. Each Bidder should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar in writing about such approval along with a copy thereof within the Bid/Issue Period.

In terms of the FEMA Non-debt Instruments Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. The aggregate limit for FPI investments shall be the sectoral cap applicable to our Company. In accordance with the FEMA Non-debt Instruments 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. Our Company has, pursuant to a Board resolution dated October 18, 2021 and Shareholders’ resolution dated October 20, 2021, increased the limit of investment of NRIs and OCIs from 10% to up to 24% of the paid-up equity share capital of the Company, provided however that the shareholding of each NRI in our Company shall not exceed 5% of the Equity Share capital or such other limit as may be stipulated by RBI in each case, from time to time.

The Equity Shares offered in the Issue 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. Accordingly, the Equity Shares are being only offered and sold (i) within the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act and referred to in this Draft Red Herring Prospectus as “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 in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales are made. 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.

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 number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION VIII: DESCRIPTION OF EQUITY SHARES AND TERMS OF ARTICLES OF ASSOCIATION

Capitalized terms used in this section have the meanings that have been given to such terms in the Articles of Association of our Company. Pursuant to Schedule I of the Companies Act and the SEBI ICDR Regulations, the main provisions of the Articles of Association of our Company are detailed below:

Authorised Share Capital

The authorised share capital of the Company shall be such amount, divided into such class(es), denomination(s) and number of shares in the Company as stated in Clause V of the Memorandum of Association, with power to increase or reduce such capital from time to time and power to divide the shares in the capital for the time being into other classes and to attach thereto respectively such preferential, convertible, deferred, qualified, or other special rights, privileges, conditions or restrictions and to vary, modify or abrogate the same in such manner as may be determined by or in accordance with these Articles, subject to the provisions of applicable Law for the time being in force.

Kinds of Share Capital

The Company may issue the following kinds of shares in accordance with these Articles, the Act and other applicable Laws:

- (a) Equity share capital:
 - (i) with voting rights; and/or
 - (ii) with differential rights as to dividend, voting or otherwise in accordance with the Act; and
- (b) Preference share capital.

Sub-Division, Consolidation and Cancellation of Share Certificate

Subject to the provisions of the Act, the Company in its General Meetings may, by an Ordinary Resolution, from time to time:

- (a) increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient;
- (b) divide, sub-divide or consolidate its shares, or any of them, and the resolution whereby any share is sub-divided, may determine that as between the holders of the shares resulting from such sub-division one or more of such shares have some preference or special advantage in relation to dividend, capital or otherwise as compared with the others;
- (c) cancel shares which at the date of such General Meeting 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;
- (d) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; provided that any consolidation and division which results in changes in the voting percentage of Members shall require applicable approvals under the Act; and
- (e) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination.

Further issue of Shares

- (1) Where at any time the Board or the Company, as the case may be, propose to increase the subscribed capital by the issue of further shares then such shares shall be offered, subject to the provisions of section 62 of the Act, and the rules made thereunder:
 - (A)
 - (i) to the persons who at the date of the offer are holders of the Equity Shares of the Company, in proportion as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the conditions mentioned in (ii) to (iv) below;
 - (ii) The offer aforesaid shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days or such lesser number of days as may be prescribed and not exceeding thirty days from the date of the offer, within which the offer if not accepted, shall be deemed to have been declined.

Provided that the notice shall be dispatched through registered post or speed post or through electronic mode or courier or any other mode having proof of delivery to all the existing shareholders at least three days before the opening of the issue;

(iii) The offer aforesaid 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 and the notice referred to in sub-clause (ii) shall contain a statement of this right;

(iv) After the expiry of time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that the person declines to accept the shares offered, the Board of Directors may dispose of them in such manner which is not disadvantageous to the Members and the Company;

(B) to employees under any scheme of employees' stock option subject to Special Resolution passed by the Company and subject to the rules and such other conditions, as may be prescribed under applicable Law; or

(C) to any person(s), if it is authorised by a Special Resolution, whether or not those persons include the persons referred to in clause (A) or clause (B) above either for cash or for a consideration other than cash, in accordance with the Act and the rules; or where no such resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in the General Meeting (including the casting vote, if any, of the Chairman) by Members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy exceeds the votes, if any, cast against the proposal by Members, so entitled and voting and the Central Government is satisfied, on an application made by the Board in this behalf, that the proposal is most beneficial to the Company;

(2) Nothing in sub-clause (iii) of Clause (1)(A) shall be deemed:

(i) To extend the time within which the offer should be accepted; or

(ii) To authorize any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares compromised in the renunciation.

(3) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option as a term attached to the debentures issued or loans raised by the Company to convert such debentures or loans into shares in the Company or to subscribe for shares of the Company:

Provided that the terms of issue of such debentures or loans containing such an option have been approved before the issue of such debentures or the raising of such loans by a Special Resolution passed by the Company in a General Meeting.

(4) Notwithstanding anything contained in Article 11(3) hereof, where any debentures have been issued, or loan has been obtained from any government by the Company, and if that government considers it necessary in the public interest so to do, it may, by order, direct that such debentures or loans or any part thereof shall be converted into shares in the Company on such terms and conditions as appear to the Government to be reasonable in the circumstances of the case even if terms of the issue of such debentures or the raising of such loans do not include a term for providing for an option for such conversion:

Provided that where the terms and conditions of such conversion are not acceptable to the Company, it may, within sixty days from the date of communication of such order, appeal to National Company Law Tribunal which shall after hearing the Company and the Government pass such order as it deems fit.

A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the rules made thereunder.

Company's Lien on Shares/ Debentures

The Company shall subject to applicable Law have a first and paramount lien on every share / debenture (not being a fully paid share / debenture) registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called, or payable at a fixed time, in respect of that share / debenture and no equitable interest in any share shall be created upon the footing and condition that this Article will have full effect. Unless otherwise agreed, the registration of transfer of shares / debentures shall operate as a waiver of the Company's lien, if any, on such shares / debentures.

Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of this Article.

The fully paid up shares shall be free from all lien and in the case of partly paid up shares the Company's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares.

Board to have a right to forfeit Shares

If a Member fails to pay any call, or installment of a call or any money due in respect of any share, 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 or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on him requiring payment of so much of the call or installment or other money 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.

Transfer and transmission of shares

Register of transfers: The Company shall keep a "Register of Transfers" and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any shares. The Company shall also use a common form of transfer.

Endorsement of transfer: In respect of any transfer of shares registered in accordance with the provisions of these Articles, the Board may, at its discretion, direct an endorsement of the transfer and the name of the transferee and other particulars on the existing share certificate and authorize any Director or Officer of the Company to authenticate such endorsement on behalf of the Company or direct the issue of a fresh share certificate, in lieu of and in cancellation of the existing certificate in the name of the transferee.

Transmission of shares: Subject to the provisions of the Act and these Articles, any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any Members, or by any lawful means other than by a transfer in accordance with these Articles, may with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence as the Board thinks sufficient, that he sustains the character in respect of which he proposes to act under this Article, or of his title, elect to either be registered himself as holder of the shares or elect to have some person nominated by him and approved by the Board, registered as such holder or to make such transfer of the share as the deceased or insolvent member could have made. 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. Provided, nevertheless, if such person shall elect to have his nominee registered, he shall testify that election by executing in favour of his nominee an instrument of transfer in accordance with the provision herein contained and until he does so he shall not be freed from any liability in respect of the shares. Further, all limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfer 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.

Reduction of capital

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—

- (a) its share capital; and/or
- (b) any capital redemption reserve account; and/or
- (c) any share premium account

and in particular without prejudice to the generality of the foregoing power may be: (i) extinguishing or reducing the liability on any of its shares in respect of share capital not paid up; (ii) either with or without extinguishing or reducing liability on any of its shares, (a) cancel paid up share capital which is lost or is unrepresented by available assets; or (b) pay off any paid up share capital which is in excess of the wants of the Company; and may, if and so far as is necessary, alter its Memorandum, by reducing the amount of its share capital and of its shares accordingly.

Dematerialisation of securities

- (a) The Company shall recognise interest in dematerialised securities under the Depositories Act, 1996.

Subject to the provisions of the Act, either the Company or the investor may exercise an option to issue (in case of the Company only), deal in, hold the securities (including shares) with a Depository in electronic form and the certificates

in respect thereof shall be dematerialized, in which event, the rights and obligations of the parties concerned and matters connected therewith or incidental thereof shall be governed by the provisions of the Depositories Act, 1996 as amended from time to time or any statutory modification(s) thereto or re-enactment thereof, the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and other applicable Law.

(b) Dematerialisation/Re-materialisation of securities

Notwithstanding anything to the contrary or inconsistent contained in these Articles, the Company shall be entitled to dematerialise its existing securities, re materialise its securities held in Depositories and/or offer its fresh securities in the dematerialised form pursuant to the Depositories Act, 1996 and the rules framed thereunder, if any.

(c) Option to receive security certificate or hold securities with the Depository

Every person subscribing to or holding securities of the Company shall have the option to receive the security certificate or hold securities with a Depository. Where a person opts to hold a security with the Depository, the Company shall intimate such Depository of the details of allotment of the security and on receipt of such information, the Depository shall enter in its Record, the name of the allottees as the beneficial owner of that Security.

(d) Securities in electronic form

All securities held by a Depository shall be dematerialized and held in electronic form. No certificate shall be issued for the securities held by the Depository.

(e) Beneficial owner deemed as absolute owner

Except as ordered by a court of competent jurisdiction or by applicable Law required and subject to the provisions of the Act, the Company shall be entitled to treat the person whose name appears on the applicable register as the holder of any security or whose name appears as the beneficial owner of any security in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognize any benami trust or equity, equitable contingent, future, partial interest, other claim to or interest in respect of such securities or (except only as by these Articles otherwise expressly provided) any right in respect of a security other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has expressed or implied notice thereof but the Board shall at their sole discretion register any security in the joint names of any two or more persons or the survivor or survivors of them.

(f) Register and index of beneficial owners

The Company shall cause to be kept a register and index of members with details of securities held in materialised and dematerialised forms in any media as may be permitted by Law including any form of electronic media. The register and index of beneficial owners maintained by a Depository under the Depositories Act, 1996 shall be deemed to be a register and index of members for the purposes of this Act. The Company shall have the power to keep in any state or country outside India, a Register of Members, resident in that state or country.

Annual general meeting

- (a) The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meeting in that year.
- (b) An Annual General Meeting of the Company shall be held in accordance with the provisions of the Act.

Voting rights of members

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 holding Equity Shares and present in person shall have one vote.
- (b) On a poll, every Member holding Equity Shares therein shall have voting rights in proportion to his share in the paid up equity share capital.
- (c) A Member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.

Number of directors

Unless otherwise determined by General Meeting, the number of Directors shall not be less than three (3) and not more than fifteen (15), and at least one (1) Director shall be resident of India in the previous year.

Provided that the Company may appoint more than fifteen (15) directors after passing a Special Resolution.

Meetings of the Board

- (a) The Board of Directors shall meet at least once in every three (3) months with a maximum gap of four (4) months between two (2) meetings of the Board for the dispatch of business, adjourn and otherwise regulate its meetings and proceedings as it thinks fit in accordance with the Act, provided that at least four (4) such meetings shall be held in every year. Place of meetings of the Board shall be at a location determined by the Board at its previous meeting, or if no such determination is made, then as determined by the chairman of the Board.
- (b) The chairman may, at any time, and the secretary or such other Officer of the Company as may be authorised in this behalf on the requisition of Director shall at any time summon a meeting of the Board. Notice of at least seven (7) days in writing of every meeting of the Board shall be given to every Director and every alternate Director at his usual address whether in India or abroad, provided always that a meeting may be convened by a shorter notice to transact urgent business subject to the condition that at least one independent director, if any, shall be present at the meeting and in case of absence of independent directors from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all the directors and shall be final only on ratification thereof by at least one independent director, if any.
- (c) The notice of each meeting of the Board shall include (i) the time for the proposed meeting; (ii) the venue for the proposed meeting; and (iii) an agenda setting out the business proposed to be transacted at the meeting.
- (d) To the extent permissible by applicable Law, the Directors may participate in a meeting of the Board or any committee thereof, through electronic mode, that is, by way of video conferencing i.e., audio visual electronic communication facility. The notice of the meeting must inform the Directors regarding the availability of participation through video conferencing. Any Director participating in a meeting through the use of video conferencing shall be counted for the purpose of quorum.

Borrowing powers

- (a) Subject to the provisions of the Act and these Articles, the Board may from time to time at their discretion raise or borrow or secure the payment of any such sum of money for the purpose of the Company, in such manner and upon such terms and conditions in all respects as they think fit, and in particular, by promissory notes or by receiving deposits and advances with or without security or by the issue of bonds, debentures, perpetual or otherwise, including debentures convertible into shares of this Company or any other company or perpetual annuities and to secure any such money so borrowed, raised or received, mortgage, pledge or charge the whole or any part of the property, 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 to give the lenders powers of sale and other powers as may be expedient and to purchase, redeem or pay off any such securities; provided however, that the moneys to be borrowed, together with the money already borrowed by the Company apart from temporary loans (as defined under Section 180(1) of the Act) obtained from the Company's bankers in the ordinary course of business shall not, without the sanction of the Company by a Special Resolution at a General Meeting, exceed the aggregate of the paid up capital of the Company, its free reserves and securities premium. Provided that every Special Resolution passed by the Company in General Meeting in relation to the exercise of the power to borrow shall specify the total amount up to which moneys may be borrowed by the Board of Directors.
- (b) The Directors may by resolution at a meeting of the Board delegate the above power to borrow money otherwise than on debentures to a committee of Directors or managing Director or to any other person permitted by applicable Law, if any, within the limits prescribed.
- (c) To the extent permitted under the applicable Law and subject to compliance with the requirements thereof, the Directors shall be empowered to grant loans to such entities at such terms as they may deem to be appropriate and the same shall be in the interests of the Company.
- (d) Any bonds, debentures, debenture-stock or other securities may if permissible under applicable Law be issued at a discount, premium or otherwise by the Company and shall with the consent of the Board be issued upon such terms and conditions and in such manner and for such consideration as the Board shall consider to be for the benefit of the Company, and on the condition that they or any part of them may be convertible into Equity Shares of any denomination, and with any privileges and conditions as to the redemption, surrender, allotment of shares, attending (but not voting) in

the General Meeting, appointment of Directors or otherwise. Provided that debentures with rights to allotment of or conversion into Equity Shares shall not be issued except with, the sanction of the Company in General Meeting accorded by a Special Resolution.

Company in the general meeting may declare dividend

The Company in General Meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

Winding up

Subject to the applicable provisions of the Act—

- (a) 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.
- (b) 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.
- (c) 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.
- (d) Any person who is or has been a Director or manager, whose liability is unlimited under the Act, shall, in addition to his liability, if any, to contribute as an ordinary member, be liable to make a further contribution as if he were at the commencement of winding up, a member of an unlimited company, in accordance with the provisions of the Act.

Director's and others' right to indemnity

Subject to the provisions of the Act and other applicable Law, every Director and Officer of the Company shall be indemnified by the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the tribunal. Provided, however, that such indemnification shall not apply in respect of any cost or loss or expenses to the extent it is finally judicially determined to have resulted from the negligence, willful misconduct or bad faith acts or omissions of such Director.

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

Copies of the following documents and 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/ Prospectus which will be filed with the RoC. Copies of the contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered and Corporate Office between 10 a.m. and 5 p.m. IST on all Working Days and shall be also available on the web link [www.joyalukkas.in/\[●\]](http://www.joyalukkas.in/[●]) from date of the Red Herring Prospectus until the Bid/ Issue Closing Date (except for such agreements executed after the Bid/ Issue Closing Date).

A. Material Contracts for the Issue

- a) Issue Agreement dated March 26, 2022 entered into amongst our Company, our Promoter and the BRLMs.
- b) Registrar Agreement dated March 23, 2022 entered into amongst our Company and the Registrar to the Issue.
- c) Cash Escrow and Sponsor Banks Agreement dated [●] entered into amongst our Company, the Registrar to the Issue, the BRLMs, the Syndicate Members and the Bankers to the Issue.
- d) Syndicate Agreement dated [●] entered into amongst our Company, the BRLMs and Syndicate Members.
- e) Monitoring agency agreement dated [●] entered into amongst our Company and the Monitoring Agency.
- f) Underwriting Agreement dated [●] entered into amongst our Company, our Promoter and the Underwriters.

B. Material Documents

- a) Certified copies of the MoA and AoA of our Company, updated from time to time.
- b) Certificate of incorporation dated April 22, 2002 in the name of 'Joy Alukkas Traders (India) Private Limited'.
- c) Certificate of incorporation dated December 23, 2009 for change in name of our Company to 'Joyalukkas India Private Limited'.
- d) Certificate of incorporation dated December 9, 2010 for conversion of our Company from a private limited company to a public limited company and change in name of our Company to 'Joyalukkas India Limited'.
- e) Certificate of incorporation dated March 13, 2012 for conversion of our Company from a public limited company to a private limited company and change in name of our Company to 'Joyalukkas India Private Limited'.
- f) Certificate of incorporation dated March 22, 2021 for conversion of our Company from a private limited company to a public limited company and change in name of our Company to 'Joyalukkas India Limited'.
- g) Resolutions of the Board of Directors dated October 18, 2021 and March 25, 2022 authorising the Issue and other related matters.
- h) Shareholders' resolution dated October 20, 2021, in relation to the Issue and other related matters.
- i) Resolution of the Board of Directors dated March 25, 2022 and resolution of the IPO Committee dated March 26, 2022, approving the Draft Red Herring Prospectus.
- j) Copies of the annual reports of our Company for the Fiscals 2021, 2020 and 2019.
- k) The examination report dated December 8, 2021 of the Statutory Auditors on our Restated Financial Information.
- l) The statement of possible special tax benefits dated March 25, 2022 from the Statutory Auditors.
- m) Consent of the Directors, the Book Running Lead Managers, the Syndicate Members, Legal Counsel to the Company as of Indian Law, Legal Counsel to the BRLMs as to Indian Law, International Legal Counsel to the BRLMs, Registrar to the Issue, Escrow Collection Bank(s), Public Issue Account Bank(s), Monitoring

Agency, Refund Bank(s), Sponsor Banks, Bankers to our Company, Company Secretary and Compliance Officer, as referred to in their specific capacities.

- n) Consent dated March 25, 2022 from our Statutory Auditors, namely, MSKA & Associates, holding a valid peer review certificate from ICAI, to include their name as required under section 26 (5) of the Companies Act 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 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report, dated December 8, 2021 on our Restated Financial Information; and (ii) their report dated March 25, 2022 on the statement of special tax benefits included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.
- o) Consent dated March 25, 2022 from R.G.N. Price & Co., Chartered Accountants, who is the Independent Chartered Accountant.
- p) Resolutions of the Board dated October 14, 2020, approving the appointment of Alukkas Varghese Joy as the Managing Director.
- q) Agreement for the appointment of Managing Director dated October 14, 2020 between our Company and Alukkas Varghese Joy, as revised by the Shareholders’ resolution dated April 1, 2021
- r) Report titled ‘*Industry Report on Jewellery Retail in India*’ dated March 21, 2022 issued by Technopak which has been commissioned exclusively for the purposes of the Issue.
- s) Consent dated March 21, 2022 of Technopak in respect to the Industry Report.
- t) Engagement letter dated September 30, 2021 between the Company and Technopak.
- u) Non-competition agreement dated January 3, 2011 entered into between our Company and our Promoter.
- v) Trademark co-operation agreement dated March 10, 2022 entered between our Company and Joy Alukkas Jewellery LLC, Dubai, UAE and Joy Alukkas Holdings Inc., British Virgin Islands.
- w) Due diligence certificate dated March 26, 2022 addressed to SEBI from the BRLMs.
- x) In-principle listing approvals dated [●] and [●], issued by BSE and NSE, respectively.
- y) SEBI observation letter dated [●].
- z) Tripartite agreement dated October 13, 2021 amongst our Company, NSDL and Registrar to the Issue
- aa) Tripartite agreement dated October 5, 2021 amongst our Company, CDSL and Registrar to the Issue.

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 notice to the Shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines and regulations issued by the Government of India and the rules, guidelines and regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure or undertaking 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 statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Alukkas Varghese Joy
Managing Director

Date: March 26, 2022

Place: THRISSUR

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines and regulations issued by the Government of India and the rules, guidelines and regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure or undertaking 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 statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

John Paul Joy Alukkas
Non-Executive Director

Date: March 26, 2022

Place: TURKEY

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines and regulations issued by the Government of India and the rules, guidelines and regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure or undertaking 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 statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Thomas Scaria Kalappurackal
Non-Executive Director

Date: March 26, 2022

Place: THRISSUR

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines and regulations issued by the Government of India and the rules, guidelines and regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure or undertaking 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 statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Alex Kalluvila Babu

Non-Executive Independent Director

Date: March 26, 2022

Place: COCHIN

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines and regulations issued by the Government of India and the rules, guidelines and regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure or undertaking 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 statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Lava Krishnan

Non-Executive Independent Director

Date: March 26, 2022

Place: COCHIN

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines and regulations issued by the Government of India and the rules, guidelines and regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure or undertaking 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 statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Pushpy B. Muricken

Non-Executive Independent Director

Date: March 26, 2022

Place: COCHIN

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines and regulations issued by the Government of India and the rules, guidelines and regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure or undertaking 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 statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

Tom Jose
Chief Financial Officer

Date: March 26, 2022

Place: THRISSUR