



(Please scan this QR code to view the Draft Letter of Offer)



### Thangamayil Jewellery Limited

Corporate Identity Number: L36911TN2000PLC044514



Our Company was originally incorporated as 'Thangamayil Jewellery Private Limited' as a private limited company under the Companies Act, 1956 at Madurai, Tamil Nadu on March 24, 2000 pursuant to a certificate of incorporation dated March 24, 2000 issued by the Registrar of Companies, Tamil Nadu-Chennai. Further, our Company was converted into a public limited company with effect from November 20, 2007. Subsequently, the name of our Company was changed to 'Thangamayil Jewellery Limited' and a fresh certificate of incorporation consequent on change of name dated November 20, 2007 has been issued by the Registrar of Companies, Tamil Nadu, Chennai. There has been no change in the address of Registered Office of our Company since its incorporation.

**Registered Office:** 124, Nethaji Road, Madurai - 625 001, Tamil Nadu, India. Tel.: +91 452 234 5593

**Corporate Office:** 2nd & 3rd Floor, No. 25/6, Palami Centre, New Natham Road, Madurai - 625 014, Tamil Nadu, India

**Tel.:** +91 452 438 2815; **E-mail:** [companysecretary@thangamayil.com](mailto:companysecretary@thangamayil.com); **Website:** [www.thangamayil.com](http://www.thangamayil.com)

**Contact Person:** V. Vijayaraghavan, Company Secretary and Compliance Officer; **Email:** [companysecretary@thangamayil.com](mailto:companysecretary@thangamayil.com)

<b>PROMOTERS OF OUR COMPANY: BALARAMA GOVINDA DAS; BA. RAMESH AND N.B. KUMAR</b>		
<b>FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF THANGAMAYIL JEWELLERY LIMITED (OUR "COMPANY" OR THE "ISSUER") ONLY</b>		
<p><b>ISSUE OF UP TO [●] FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF ₹10 EACH ("RIGHTS EQUITY SHARES") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹ [●] PER EQUITY SHARE) ("ISSUE PRICE") AGGREGATING TO ₹ 51,000.00 LAKHS ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF [●] ([●]) EQUITY SHARES FOR EVERY [●] ([●]) FULLY PAID- UP EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS [●] (THE "ISSUE"). THE ISSUE PRICE FOR THE RIGHTS EQUITY SHARES IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES. FOR FURTHER DETAILS, SEE "TERMS OF THE ISSUE" ON PAGE 97.</b></p> <p><i>*Assuming full subscription, subject to finalisation of Basis of Allotment.</i></p>		
<b>WILFUL DEFAULTERS OR FRAUDULENT BORROWERS</b>		
<p><b>NEITHER OUR COMPANY, NOR OUR PROMOTERS, OR ANY OF OUR DIRECTORS HAVE BEEN OR ARE IDENTIFIED AS WILFUL DEFAULTERS (AS DEFINED HEREUNDER) OR FRAUDULENT BORROWERS.</b></p>		
<b>GENERAL RISKS</b>		
<p>Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk with such investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The securities 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 Draft Letter of Offer. Specific attention of the investors is invited to the statement of "Risk Factors" on page 19.</p>		
<b>COMPANY'S ABSOLUTE RESPONSIBILITY</b>		
<p>Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that the Draft Letter of Offer contains all information with regard to the Company and the Issue, which is material in the context of this Issue, and that the information contained in the Draft Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes the Draft Letter of Offer as a whole or any such information or the expression of any such opinions or intentions misleading in any material respect.</p>		
<b>LISTING</b>		
<p>The existing Equity Shares of our Company are listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE" together with BSE, the "Stock Exchanges"). Our Company has received "in-principle" approvals from BSE and NSE for listing the Rights Equity Shares to be allotted pursuant to the Issue through their letters dated [●] and [●], respectively. Our Company will also make applications to BSE and NSE to obtain trading approvals for the Rights Entitlements as required under the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020. For the purposes of the Issue, the Designated Stock Exchange is [●].</p>		
<b>LEAD MANAGER TO THE ISSUE</b>		<b>REGISTRAR TO THE ISSUE</b>
 <p><b>Sundae Capital Advisors Private Limited</b> 404, 4th floor, Vaibhav Chambers Bandra Kurla Complex, Bandra (East) Mumbai - 400 051, Maharashtra, India Tel. No. +91 96 6785 9191 / +91 22 3501 4499 Email ID: <a href="mailto:thangamayil.rights@sundaecapital.com">thangamayil.rights@sundaecapital.com</a> Website: <a href="http://www.sundaecapital.com">www.sundaecapital.com</a> Investor Grievance e-mail id: <a href="mailto:grievances.mb@sundaecapital.com">grievances.mb@sundaecapital.com</a> SEBI Regn. No.: INM000012494 Contact Person: NitiN Somani / Rajiv Sharma</p>		 <p><b>Link Intime India Private Limited</b> C-101, 1st Floor, 247 Park L.B.S. Marg, Vikhroli (West) Mumbai - 400 083, Maharashtra, India Tel.: +91+91 81 0811 4949 E-mail ID: <a href="mailto:thangamayil.rights2024@linkintime.co.in">thangamayil.rights2024@linkintime.co.in</a> Website: <a href="http://www.linkintime.co.in">www.linkintime.co.in</a> Investor Grievance e-mail id: <a href="mailto:thangamayil.rights2024@linkintime.co.in">thangamayil.rights2024@linkintime.co.in</a> SEBI Regn. No.: INR000004058 Contact Person: Ms. Shanti Gopalkrishnan</p>
<b>ISSUE PROGRAMME</b>		
<b>ISSUE OPENS ON</b>	<b>LAST DATE FOR ON MARKET RENUNCIATIONS<sup>@</sup></b>	<b>ISSUE CLOSES ON<sup>^</sup></b>
[●]	[●]	[●]

<sup>@</sup> Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date.

<sup>^</sup> Our Board or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time but not exceeding 30 (thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

## TABLE OF CONTENTS

GENERAL DEFINITIONS AND ABBREVIATIONS	1
NOTICE TO INVESTORS	8
CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATIONs, MARKET DATA AND CURRENCY OF PRESENTATION	10
FORWARD LOOKING STATEMENTS	12
SUMMARY OF DRAFT LETTER OF OFFER	13
RISK FACTORS	19
THE ISSUE	46
GENERAL INFORMATION	47
CAPITAL STRUCTURE	51
OBJECTS OF THE ISSUE	54
STATEMENT OF TAX BENEFITS	62
OUR BUSINESS	65
OUR MANAGEMENT	72
FINANCIAL INFORMATION	75
OTHER FINANCIAL INFORMATION	76
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	77
OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS	85
GOVERNMENT AND OTHER APPROVALS	88
OTHER REGULATORY AND STATUTORY DISCLOSURES	89
TERMS OF THE ISSUE	97
RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES	124
MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION	125
DECLARATION	127

## GENERAL DEFINITIONS AND ABBREVIATIONS

The Draft Letter of Offer uses certain definitions and abbreviations which, unless the context otherwise indicates, or implies or unless otherwise specified, shall have the meaning as provided below.

References to any legislation, act, regulation, rule, guideline, clarification or policy shall be to such legislation, act, regulation, rule, guideline or policy 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 the Draft Letter of Offer, but not defined herein shall have the meaning ascribed to such terms under the SEBI ICDR Regulations, the SEBI LODR Regulations, the Companies Act, the SCRA, the Depositories Act, and the rules and regulations made thereunder.

The following list of capitalised terms used in the Draft Letter of Offer is intended for the convenience of the reader/prospective investor only and is not exhaustive. However, terms used in the sections entitled “Summary of the Draft Letter of Offer”, “Risk Factors”, “Financial Information”, “Our Business”, “Statement of Tax Benefits”, “Outstanding Litigations and Material Developments”, “Terms of the Issue” on pages 13, 19, 75, 65, 62, 85 and 97 respectively, shall, unless indicated otherwise, have the meanings ascribed to such terms in the respective sections/ chapters.

### General Terms

Terms	Description
“Thangamayil Jewellery Limited” or “Our Company” or “the Company” or “the Issuer”	Thangamayil Jewellery Limited, a company in terms of the Companies Act 2013, with its registered office at 124, Nethaji Road, Madurai - 625 001, Tamil Nadu, India.
“We”, “us”, “our”, “our Group”	Unless the context otherwise requires, indicates or implies or unless otherwise specified, our Company

### Company Related Terms

Terms	Description
Articles of Association	The Articles of Association of our Company, as amended from time to time
Associate	With reference to any company, the associate of that company would mean any other company within the meaning of section 2(6) of the Companies Act, 2013.
Audit Committee	Audit committee of our Board
Audited Financial Statements	The audited financial statements of our Company for the financial year ended March 31, 2024 which comprises of the standalone balance sheet as at March 31, 2024, the statement of profit and loss including other comprehensive income, the cash flow statement, the statement of changes in equity for the year ended March 31, 2024, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
“Auditors” or “Statutory Auditors”	The current statutory auditors of our Company, being, M/s. B. Thiagarajan & Co, Chartered Accountants.
“Board of Directors” / “Board” / “our Board”	The Board of directors of our Company or a duly constituted committee thereof
Chief Financial Officer	B Rajesh Kanna, Chief Financial Officer of our Company
Company Secretary and Compliance Officer	V Vijayaraghavan, Company Secretary of our Company
Directors	Any or all the Directors on the Board, as may be appointed from time to time
Equity Shares	Fully paid-up equity shares of face value of ₹ 10 each of our Company
Group Companies	Group companies of our Company as determined in terms of Regulation 2(1)(t) of SEBI ICDR Regulations
Independent Director(s)	The independent director(s) of our Company, in terms of Section 2(47) and Section 149(6) of the Companies Act and Regulation 16(1)(b) of the SEBI Listing Regulations.
Key Managerial Personnel	Key managerial personnel of our Company determined in accordance with Regulation 2(1)(bb) of the SEBI ICDR Regulations and as disclosed in “Our Management” on page 72

<b>Terms</b>	<b>Description</b>
“Memorandum of Association” / “Memorandum”	Memorandum of Association of our Company, as amended from time to time
Promoter(s)	The promoters of our Company, being Balarama Govinda Das, BA. Ramesh and N.B. Kumar
Promoter Group	Unless the context requires otherwise, the promoter group of our Company as determined in accordance with Regulation 2(1)(pp) of the SEBI ICDR Regulations
“Registered and Corporate Office” / “Registered Office”	The registered office of our Company located at 124, Nethaji Road, Madurai - 625 001, Tamil Nadu, India and corporate office at 2nd & 3rd Floor, No. 25/6, Palami Centre, New Natham Road, Madurai - 625 014, Tamil Nadu, India.
Right Issue Committee	Right Issue Committee of our Board comprising of Balarama Govinda Das, BA. Ramesh and S M Chandrasekaran, Directors of the Company, B Rajesh Kanna, Chief Financial Officer and V Vijayaraghavan, Company Secretary
“Shareholders” / “Equity Shareholders”	Holders of the Equity Shares from time to time

#### **Issue Related Terms**

<b>Terms</b>	<b>Description</b>
Abridged Letter of Offer / ALOF	The abridged letter of offer to be sent to the Eligible Equity Shareholders with respect to the Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act, 2013
Additional Rights Equity Shares	The Rights Equity Shares applied or allotted under this Issue in addition to the Rights Entitlement.
Allotment / Allot / Allotted	Unless the context otherwise requires, the allotment of Rights Equity Shares pursuant to the Issue
Allotment Account(s)	The account(s) opened with the Bankers to this Issue, into which the Application Money lying credit to the Escrow Account(s) and amounts blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act, 2013
Allotment Account Bank	Bank(s) which are clearing members and registered with SEBI as bankers to an issue and with whom the Allotment Accounts will be opened, in this case being, [●].
Allotment Advice	The note or advice or intimation of Allotment, sent to each successful Investor who has been or is to be Allotted the Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange
Allotment Date	Date on which the Allotment is made pursuant to the Issue
Allottee(s)	Person(s) to whom Rights Equity Shares are issued pursuant to the Issue
Applicant(s) or Investors	Eligible Equity Shareholder(s) and/or Renouncee(s) who are entitled to apply or make an application for the Rights Equity Shares pursuant to the Issue in terms of the Draft Letter of Offer, being an ASBA Investor
Application	Application made through submission of the Application Form or plain paper Application to the Designated Branch(es) of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process to subscribe to the Rights Equity Shares at the Issue Price
Application Form	Unless the context otherwise requires, an application form (including online application form available for submission of application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process) used by an Applicant to make an application for the Allotment of Rights Equity Shares in this Issue.
Application Money	Aggregate amount payable in respect of the Equity Shares applied for in the Issue at the Issue Price
Application Supported by Blocked Amount/ ASBA	Application (whether physical or electronic) used by an Investor to make an application authorizing the SCSB to block the Application Money in a specified bank account maintained with the SCSB

<b>Terms</b>	<b>Description</b>
ASBA Applicant / ASBA Investor	As per the SEBI Circular SEBI/HO/CFD/DIL/2/CIR/P/2020/13 dated January 22, 2020 all investors (including Renounees) shall make an application for an Issue only through ASBA Facility
ASBA Account	Account maintained with the SCSB and specified in the Application Form or the plain paper Application by the Applicant for blocking the amount mentioned in the Application Form or the plain paper Application
ASBA Bid	Bid made by an ASBA Bidder including all revisions and modifications thereto as permitted under the SEBI (ICDR) Regulations
ASBA Circulars	Collectively, SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011 and the SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020
Banker to the Issue	Collectively, Escrow Collection Bank, Allotment Account Bank and the Refund Bank to the Issue, in this case being [●].
Banker(s) to the Issue Agreement	Agreement to be entered into by and among our Company, the Registrar to the Issue, the Lead Manager and the Banker(s) to the Issue for inter alia collection of the Application Money from Applicants/Investors, transfer of funds to the Allotment Account and where applicable, refunds of the amounts collected from Applicants/Investors, on the terms and conditions thereof
Basis of Allotment	The basis on which the Rights Equity Shares will be Allotted to successful Applicants in consultation with the Designated Stock Exchange under this Issue, as described in “ <i>Terms of the Issue</i> ” on page 97
Controlling Branches/ Controlling Branches of the SCSBs	Such branches of the SCSBs which co-ordinate with the Lead Manager, the Registrar to the Issue and the Stock Exchanges, a list of which is available on <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> updated from time to time or at such other website(s) as may be prescribed by the SEBI from time to time.
Demographic Details	Details of Investors including the Investor’s address, name of the Investor’s father / husband, investor status, occupation and bank account details, where applicable.
Designated Branches	Such branches of the SCSBs which shall collect the Application Form or the plain paper application, as the case may be, used by the ASBA Investors and a list of which is available on <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> , updated from time to time or such other website(s) as may be prescribed by the SEBI or the Stock Exchange, from time to time.
Designated Exchange	Stock [●]
Depository(ies)	NSDL and CDSL or any other depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time read with the Depositories Act, 1996.
Eligible Shareholder(s)	Equity Existing Equity Shareholders of our Company as on the Record Date
Escrow Account(s)	One or more no-lien and non-interest-bearing accounts with the Escrow Collection Bank(s) for the purposes of collecting the Application Money
Escrow Collection Bank / Allotment Account Bank(s) / Refund Bank	Banks which are clearing members and registered with SEBI as banker to an issue and with whom the Escrow Account will be opened, in this case being [●]
FPIs	Foreign portfolio investors as defined under the SEBI FPI Regulations
IEPF	Investor Education and Protection Fund
Investor(s)	Eligible Equity Shareholder(s) of our Company on the Record Date, [●] and the Renounee(s)
ISIN	International securities identification number
Issue	Issue of up to [●] Rights Equity Shares of face value ₹ 10 each for cash at a price of ₹ [●] per Equity Share for an amount aggregating up to ₹ 51,000.00 lakhs on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of [●] Rights Equity Share for every [●] Equity Shares of face value ₹ 10 each held by the Eligible Equity Shareholders on the Record Date

<b>Terms</b>	<b>Description</b>
Issue Agreement	Issue agreement dated December 23, 2024 entered into between our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue
Issue Closing Date	[●]
Issue Material	The Letter of Offer, Abridged Letter of Offer, Application Form, and other applicable Issue material
Issue Opening Date	[●]
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants can submit their Applications, in accordance with the SEBI ICDR Regulations.
Issue Price	₹ [●] per Right Equity Share
Issue Proceeds/ Proceeds	Gross proceeds raised through the Issue
Issue Size	The issue of [●] Equity Shares aggregating to ₹ 51,000.00 lakhs*, *assuming full subscription
Lead Manager to the Issue / Lead Manager	Sundae Capital Advisors Private Limited
Letter of Offer / LOF	Letter of offer dated [●] filed with the Stock Exchange and SEBI
Listing Agreement	The uniform listing agreements entered into between our Company and the Stock Exchange in terms of the SEBI LODR Regulations
Multiple Application Forms	Multiple application forms submitted by an Eligible Equity Shareholder / Renouncee in respect of the Rights Entitlement available in their demat account. However supplementary applications in relation to further Equity Shares with/without using additional Rights Entitlements will not be treated as multiple application.
Net Proceeds	Issue Proceeds less the Issue related expenses. For further details, see “Objects of the Issue” on page 97
Non-Institutional Investor(s) / NII	An Investor other than a Retail Individual Investor or Qualified Institutional Buyer as defined under Regulation 2(1)(jj) of the SEBI ICDR Regulations.
NRE Account	Non-resident external account
NRO Account	Non-resident ordinary account
Off Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by transferring them through off-market transfer through a depository participant in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Depositories, from time to time, and other applicable laws
On Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchanges through a registered stock broker in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Stock Exchanges, from time to time, and other applicable laws, on or before [●]
Qualified Institutional Buyers or QIBs	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
Record Date	Designated date for the purpose of determining the Eligible Equity Shareholders eligible to apply for Equity Shares, being [●]
Refund Bank	The Banker to the Issue with whom the refund account will be opened, in this case being [●].
Registrar to the Issue / Registrar	Link Intime India Private Limited
Registrar Agreement	Agreement dated December 23, 2024 entered into among our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue
Renouncee(s)	Person(s) who has / have acquired Rights Entitlements from the Eligible Equity Shareholders on renunciation either through On Market Renunciation or through Off Market Renunciation in accordance with the SEBI ICDR Regulations, the SEBI Rights Issue Circular, the Companies Act and any other applicable law.
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date. Such period shall close on [●], in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer

<b>Terms</b>	<b>Description</b>
	is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date
Retail Individual Investor / RII / RIB	An individual Investor who has applied for Rights Equity Shares for an amount not more than ₹200,000 (including an HUF applying through karta in the Issue as defined under Regulation 2(1)(vv) of the SEBI ICDR Regulations.
Rights Entitlements / REs	The number of Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to his / her shareholding in our Company as on the Record Date, being [●] ([●]) Rights Equity Share for every [●] ([●]) fully paid up Equity Shares held by the Eligible Equity Shareholder on the Record Date.  Pursuant to the provisions of the SEBI ICDR Regulations and the SEBI – Rights Issue Circular, the Rights Entitlements shall be credited in dematerialised form in respective demat accounts of the Eligible Equity Shareholders before the Issue Opening Date.
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders. The Rights Entitlements are also accessible on the website of our Company
Rights Equity Shares / Rights Shares	Equity Shares of our Company to be Allotted pursuant to the Issue.
Self-Certified Syndicate Banks /SCSB(s)	Self-certified syndicate banks registered with SEBI, which acts as a banker to the Issue and which offers the facility of ASBA. A list of all SCSBs is available at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> updated from time to time or at or such other website(s) as maybe prescribed by SEBI from time to time.
SEBI Relaxation Circulars	Together, the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 read with the SEBI circular bearing reference SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020 and SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021
Stock Exchange	Stock exchanges where the Equity Shares are presently listed, i.e., BSE and NSE
Transfer Date	The date on which Application Money held in the Escrow Account and the Application Money blocked in the ASBA Account will be transferred to the Allotment Account(s) in respect of successful Applications, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange
Wilful Defaulter	Company or person categorised as a wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes any company whose director or promoter is categorised as such
Working Day(s)	All days on which commercial banks in Mumbai are open for business; provided however, with reference to (a) Issue Period, “Working Day” shall mean all days, excluding all Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (b) furthermore the time period between the Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, “Working Day” shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the circulars issued by SEBI

#### **Conventional and General Terms / Abbreviations**

<b>Terms</b>	<b>Description</b>
₹ / Rs./ Rupees / INR	Indian Rupees
A/c	Account
AGM	Annual General Meeting
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
BSE	BSE Limited
CDSL	Central Depository Services (India) Limited
CIN	Corporate identity number
Act / Companies Act, 2013	Companies Act, 2013 along with the rules made thereunder and includes erstwhile Companies Act, 1956, to the extent applicable

<b>Terms</b>	<b>Description</b>
Depositories Act	Depositories Act, 1996
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 1996
Depository Participant / DP	A depository participant as defined under the Depositories Act
DP ID	Depository Participant's Identification
DIN	Director Identification Number
EBITDA	Earnings before Interest, Tax, Depreciation and Amortization
EPS	Earnings per Equity Share
FEMA	Foreign Exchange Management Act, 1999, together with rules and regulations thereunder
FEM Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial Year / Fiscal Year / Fiscal	Period of 12 months ended March 31 of that particular year, unless otherwise stated
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign venture capital investors as defined under and registered with SEBI pursuant to the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
GAAP	Generally accepted accounting principles
GDP	Gross domestic product
GoI / Government/ Central Government	Government of India
GST	Goods and Service Tax
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India
Income Tax Act	Income-Tax Act, 1961
Ind AS	Indian accounting standards as specified under section 133 of the Companies Act 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended
India	Republic of India
IFRS	International Financial Reporting Standards
ISIN	International Securities Identification Number
ITAT	Income Tax Appellate Tribunal
MCA	Ministry of Corporate Affairs
Mutual Fund	Mutual fund registered with SEBI under the Securities and Exchange Board of (Mutual Funds) Regulations, 1996
Net Asset Value per Equity Share / NAV per Equity Share	Net Worth/ Number of Equity shares subscribed and fully paid outstanding as at March 31
Net Worth	The aggregate value of the paid up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited/unaudited balance sheet, as the case may be, but does not include reserves created out of revaluation of assets, write back of depreciation and capital reserves.
NRI	A person resident outside India, who is a citizen of India and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB / Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before



<b>Terms</b>	<b>Description</b>
	such date had taken benefits under the general permission granted to OCBs under FEMA
PAN	Permanent account number
PAT	Profit after tax
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
Regulation S	Regulation S under the U.S. Securities Act
RoC	Registrar of Companies, Delhi & Haryana
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India
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 ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI LODR Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI PIT Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
SEBI Rights Issue Circulars	Collectively, SEBI circular, bearing reference number EBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, bearing reference number SEBI/HO/CFD/CIR/CFD/DIL/67/2020 dated April 21, 2020 and SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 (read with circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020)
SEBI SAST Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
STT	Securities Transaction Tax
UPI	Unified Payments Interface
U.S.\$ / USD / U.S. dollar	United States Dollar, the legal currency of the United States of America
USA / U.S. / United States	United States of America
U.S. SEC	U.S. Securities and Exchange Commission
U.S. Securities Act	U.S. Securities Act of 1933, as amended
VCF	Venture capital fund as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be

#### **Business and Industry Related Terms**

<b>Terms</b>	<b>Description</b>
916	916 is the grade by which purity of gold is measured for 22 carat jewels
Carat	The unit for determining weight of gemstones, 1 carat being equal to 0.2 grams
CEPA	Comprehensive Economic Partnership Agreement
DPIIT	Department for Promotion of Industry and Internal Trade
GDP	Gross Domestic Product
GJEPC	Gems Jewellery Export Promotion Council
Gms / Grams	One gram (unit of weight)
IGJS	International Gems and Jewellery Show
Karatage	Unit to determine the purity of gold
Kg	Kilogram
Studded Jewellery	Jewellery made of gold/platinum/silver which are studded by diamonds and/or precious stones or semi-precious stones

## NOTICE TO INVESTORS

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and the Draft Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other applicable Issue material (collectively, the “Issue Materials”) will be sent / dispatched only to the Eligible Equity Shareholders who have provided Indian address and who are located in jurisdictions where the offer and sale of the Rights Entitlement and the Rights Equity Shares are permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them. Those overseas shareholders who do not update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to dispatch the Issue Materials, shall not be sent any Issue Materials. Investors can also access the Draft Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, the Lead Manager, and the Stock Exchange subject to the applicable law. Our Company, the Lead Manager, and the Registrar will not be liable for non-dispatch of physical copies of Issue Materials.

No action has been or will be taken to permit this Issue in any jurisdiction where action would be required for that purpose. Accordingly, the Rights Entitlements or Rights Equity Shares may not be offered or sold, directly or indirectly, and the Issue Materials may not be distributed in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Issue Materials will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, under those circumstances, the Issue Materials must be treated as sent for information only and should not be copied, redistributed or acted upon for subscription to Rights Equity Shares or the purchase of Rights Entitlements. Accordingly, persons receiving a copy of the Issue Materials should not, in connection with the issue of the Rights Entitlements or Rights Equity Shares, distribute or send such document in, into the United States or any other jurisdiction where to do so would, or might contravene local securities laws or regulations or would subject the Company, Lead Manager or their respective affiliates to any filing or registration requirement (other than in India). If Issue Materials is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Entitlement or Rights Equity Shares referred to in Issue Materials. Envelopes containing an Application Form should not be dispatched from any jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Rights Equity Shares in this Issue must provide an Indian address.

Any person who makes an application to acquire Rights Entitlement and the Rights Equity Shares offered in this Issue will be deemed to have declared, represented, warranted and agreed that such person is authorised to acquire the Rights Entitlement and the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction, without requirement for our Company, the Lead Manager or their respective affiliates to make any filing or registration (other than in India). In terms of Rule 6(a) of FEM (NDI) Rules, 2019 (inserted vide amendment dated April 22, 2020), investment from countries sharing land border with India requires Government approval.

Neither the delivery of the Issue Materials nor any sale or offer hereunder, shall under any circumstances create any implication that there has been no change in our Company’s affairs from the date hereof or that the information contained herein is correct as at any time subsequent to the date of the Draft Letter of Offer or date of such information.

**The contents of the Draft Letter of Offer and Abridged Letter of Offer should not be construed as business, legal, tax or investment advice. Prospective investors may be subject to adverse foreign, state or local tax or legal consequences as a result of buying or selling of Rights Equity Shares or Rights Entitlements. As a result, each investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of Rights Equity Shares or Rights Entitlements. In addition, neither our Company nor the Lead Manager nor any of their respective affiliates are making any representation to any offeree or purchaser of the Rights Equity Shares or the Rights Entitlements regarding the legality of an investment in the Rights Equity Shares or the Rights Entitlements by such offeree or purchaser under any applicable laws or regulations.**

## NO OFFER IN THE UNITED STATES

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the United States Securities Act, 1933, as amended (“Securities Act”), or any U.S. state securities laws and may not be offered, sold, resold or otherwise transferred within the United States of America or the territories or possessions thereof (“United States” or “U.S.”) or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S under the Securities Act (“Regulation S”), except in a transaction exempt from the registration requirements of the Securities Act. The Rights Entitlements and Rights Equity Shares referred to in the Draft Letter of Offer are being offered in India and in jurisdictions where such offer and sale of the Rights Equity Shares and/ Or Rights Entitlements are permitted under laws of such jurisdictions, but not in the United States. The offering to which the Draft Letter of Offer, and Abridged Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any securities or rights for sale in the United States or as a solicitation therein of an offer to buy any of the said securities or rights.

Accordingly, the Draft Letter of Offer / Abridged Letter of Offer, Rights Entitlement Letter and Application Form should not be forwarded to or transmitted in or into the United States at any time.

Neither our Company nor any person acting on behalf of our Company will accept subscriptions or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on behalf of our Company has reason to believe, is in the United States when the buy order is made. No payments for subscribing for the Rights Equity Shares shall be made from US bank accounts and all persons subscribing for the Rights Equity Shares and wishing to hold such Rights Equity Shares in registered form must provide an address for registration of the Rights Equity Shares in India.

In terms of Rule 6(a) of FEM (NDI) Rules, 2019 (inserted vide amendment dated April 22, 2020), investment from countries sharing land border with India requires Government approval.

**We, the Registrar, the Lead Manager or any other person acting on behalf of us, reserve the right to treat as invalid any Application Form which: (i) does not include the certification set out in the Application Form to the effect that the subscriber does not have a registered address (and is not otherwise located) in the United States and is authorised to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations; (ii) appears to us or its agents to have been executed in, electronically transmitted from or dispatched from the United States; (iii) where a registered Indian address is not provided; or (iv) where we believe that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements; and we shall not be bound to allot or issue any Rights Equity Shares in respect of any such Application Form.**

## **CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATIONs, MARKET DATA AND CURRENCY OF PRESENTATION**

### **Certain Conventions**

Unless otherwise specified or the context otherwise requires, all references to “India” contained in the Draft Letter of Offer are to the Republic of India and the ‘Government’ or ‘GoI’ or the ‘Central Government’ or the ‘State Government’ are to the Government of India, Central or State, as applicable.

Unless otherwise specified, all references in the Draft Letter of Offer are in Indian Standard Time. Unless indicated otherwise, all references to a year in the Draft Letter of Offer are to a calendar year.

A reference to the singular also refers to the plural and one gender also refers to any other gender, wherever applicable.

Unless stated otherwise, all references to page numbers in the Draft Letter of Offer are to the page numbers of the Draft Letter of Offer.

### **Financial Data**

Unless stated otherwise, or unless the context requires otherwise, the financial data included in the Draft Letter of Offer is derived from the Audited Financial Statements. The Audited Financial Statements was audited by our Statutory Auditors. For further information, see “*Financial Information*” on page 75.

Unless stated otherwise, financial data in the Draft Letter of Offer is derived from the Audited Financial Statements which have been prepared by our Company in accordance with Indian accounting standards as specified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended and are also included in the Draft Letter of Offer. Our Company publishes its financial statements in Indian Rupees in lakhs. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in the Draft Letter of Offer should accordingly be limited.

The fiscal year of our Company begins on April 1 of each calendar year and ends on March 31 of the following calendar year. Unless otherwise stated, references in the Draft Letter of Offer to a particular ‘Financial Year’ or ‘Fiscal Year’ or ‘Fiscal’ are to the financial year ended March 31.

In the Draft Letter of Offer, any discrepancies in the tables included herein between the amounts listed and the totals thereof are due to rounding off. Certain figures in decimals have been rounded off and accordingly there may be consequential changes in the Draft Letter of Offer.

### **Currency of Presentation**

Unless otherwise specified or the context otherwise requires, all references to “Rupees”, “Rs.”, “INR”, “₹” are to Indian Rupees, the official currency of the Republic of India. All references to “USD”, or “US\$” or “\$” are to United States Dollar, the official currency of the United States of America. All references to “Euro” or “EUR” or “€” are to Euro, the official currency of the European Union. The amounts derived from financial statements included herein are represented in ₹ lakhs, as presented in the Audited Financial Statements.

References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable. Unless stated otherwise, throughout the Draft Letter of Offer, all figures have been expressed in lakhs.

### **Market and Industry Data**

Unless stated otherwise, market, industry and demographic data used in the Draft Letter of Offer has been obtained from market research, publicly available information, industry publications and government sources. Industry publications generally state that the information that they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of that information is not guaranteed. Similarly, internal surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified by our Company or the Lead Manager or their respective affiliates and neither our Company nor the Lead Manager or their respective affiliates make any representation as to the accuracy of that information. Accordingly, Investors should not place undue reliance on this information.

**The extent to which the market and industry data used in the Draft Letter of Offer is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There**

**are no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.**

**Non-GAAP measures**

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance like Net Worth, return on Net Worth, Net Asset Value per Equity Share, ratio of non-current liabilities-borrowings (including current maturities) / total equity (excluding non-controlling interest), ratio of total borrowings/ total equity (excluding non-controlling interest) and EBITDA have been included in the Draft Letter of Offer. These 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 statistical information 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.

## FORWARD LOOKING STATEMENTS

In this we have included statements, which contain words or phrases such as "will", "may", "aim", "is likely to result", "believe", "expect", "continue", "anticipate", "estimate", "intend", "plan", "contemplate", "seek to", "future", "objective", "goal", "project", "should", "pursue" and similar expressions or variations of such expressions, that are "forward looking statements"

All statements regarding our Company's expected financial conditions, results of operations, business plans and prospects are forward looking statements. These forward-looking statements include statements as to our Company's business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in the Draft Letter of Offer that are not historical facts. These forward-looking statements contained in the Draft Letter of Offer (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements or other projections.

Actual results may differ materially from those suggested by the forward looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, the competition in our industry and markets, 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, performance of the financial markets in India and globally, changes in laws, regulations and taxes, incidence of natural calamities and/or acts of violence. Important factors that could cause actual results to differ materially from our Company's expectations include, but are not limited to, the following:

- Our business and financial performance is particularly based on market demand & preference of customers;
- Any adverse changes in central or state government policies;
- Any adverse development that may affect our operations;
- Loss of customers and / or key suppliers;
- An increase in the productivity and overall efficiency of our competitors;
- Occurrence of natural calamities or natural disasters affecting the areas in which our Company has operations;
- General, political, economic, social and business conditions in India and other global markets;

For further discussion of factors that could cause the actual results to differ from our estimates and expectations, please refer to "Risk Factors", "Our Business" and "Management's Discussion and Analysis of Financial Position and Results of Operations" on pages 19, 65, and 77, respectively of the Draft Letter of Offer. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

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

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

In accordance with the SEBI ICDR Regulations, our Company will ensure that investors are informed of material developments from the date of the Draft Letter of Offer until the time of receipt of the listing and trading permissions from the Stock Exchange.

## SUMMARY OF DRAFT LETTER OF OFFER

The following is a general summary of certain disclosures and terms of the Issue included in the Draft Letter of Offer and is neither exhaustive, nor does it purport to contain a summary of all the disclosures in the Draft Letter of Offer or all details relevant to the prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in the Draft Letter of Offer, including, in the sections entitled “Risk Factors”, “Objects of the Issue”, “Our Business” and “Outstanding Litigation and Material Developments” on pages 19, 54, 65 and 85, respectively.

### Primary Business of the Issuer

Thangamayil Jewellery Limited is primarily into the business of selling gold and diamond jewellery. We also sell jewellery made of silver, platinum and precious and semi-precious stones and other metals. Our other offerings also include customised jewellery, gold and silver coins and utensils made of silver. As on September 30, 2024 has over 59 Showrooms across Tamil Nadu under our brand name “Thangamayil” with a total carpet area of approximately 92,600 sq. ft. All such showrooms are company owned and company operated. Our gold, diamond and other jewellery inventory in each showroom reflects regional customer preferences and designs. For details, refer to section titled “Our Business” on page 65.

### Objects of the Issue

Our Company intends to utilize the Net Proceeds from the Issue towards funding of the following objects:

	(in ₹ lakhs)
Particulars	Amount
Capital expenditure towards setting-up of 6 (Six) new retail stores (“New Stores”), including one flagship store in Chennai Metropolitan Area	1,468.88
Inventory required to be held in New Stores	38,416.32
General Corporate Purposes*	10,856.02
<b>Total**</b>	<b>50,741.23</b>

\* Subject to finalisation of Basis of Allotment. The amount to be utilised for General Corporate Purposes shall not exceed 25% of the Gross Proceeds.

\*\* Assuming full subscription in the Issue and subject to finalisation of Basis of Allotment.

For further details, please see “Objects of the Issue” on page 54.

### Intention and extent of participation by our Promoters and members of the Promoter Group in the Issue

The Promoter of our Company through its letter dated December 23, 2024 (the “Subscription Letter”) have undertaken (i) to subscribe to the full extent of its Rights Entitlement, (ii) that it shall not renounce its Rights Entitlement to any individual / entity outside the promoter group and (iii) it may also subscribe to additional shares / the unsubscribed portion in the Issue, if any, subject to compliance with the minimum public shareholding requirements as prescribed under Regulation 38 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the Securities and Contract (Regulations) Rules, 1957.

Such subscriptions of Equity Shares over and above its Rights Entitlement, if allotted, may result in an increase in its percentage shareholding above their current percentage shareholding. Any acquisition of additional Equity Shares shall not result in change of control of the management of the Company in accordance with provisions of the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 and Promoters will continue to be the Promoter of the Company. Any such increase in the shareholding of the Promoter will be exempt subject to fulfillment of the conditions of Regulation 10 of the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011.

In case the rights issue remains unsubscribed and / or minimum subscription is not achieved, the Board of Directors may dispose of such unsubscribed portion in the best interest of the Company and in compliance with the applicable laws.

Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements pursuant to the Issue.

## Summary of outstanding litigation and defaults

A summary of outstanding legal proceedings involving our Company as on the date of the Draft Letter of Offer is set forth in the table below:

Name of entity	Proceedings involving issues of moral turpitude or criminal liability	Civil proceedings where the amount involved is equivalent to or in excess of the materiality threshold	Tax proceedings where the amount involved is equivalent to or in excess of the materiality threshold	Proceedings before regulatory authorities involving material violations of statutory regulations	Matters involving economic offences where proceedings have been initiated	Other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position	Aggregate amount involved (₹ in lakhs) #
By our Company	-	-	-	-	-	-	-
Against our Company	-	-	4	-	-	-	9,013.29

# Amount to the extent quantifiable

As on the date of the Draft Letter of Offer, our Company do not have any subsidiary.

## Risk Factors

The top 10 risk factors are as under:

1. Our business is primarily concentrated in Tamil Nadu and we are dependent on our stores located in Tamil Nadu for revenue generation. Any adverse development affecting such region or stores may have an adverse effect on our business, prospects, financial condition and results of operations. Further, our inability to identify market trends and customer demand accurately and maintain an optimal level of inventory in our stores may impact our operations adversely.
2. We require certain approvals, permits and licenses in the ordinary course of business, and any failure or delay to obtain or renew them or to comply with their conditions in the future may adversely affect our operations. Further, we have not yet applied for fire no objection certificate for our stores and also the application for registration of establishment is pending under the Tamil Nadu Shops and Establishments Rules, 1948.
3. The strength of the brands we use are crucial to our success. Also, our ability to attract customers is dependent on the success and visibility of our showrooms. Any reputational damage to the brand, name or logo could have an adverse effect on our financial condition, cash flows and results of operations.
4. Our operations are dependent on the supply of gold and other precious metal and bullions. Prices of gold and such precious metal and bullions are impacted by global trends, geopolitical events, speculative trading, government policies and supply chain issues which could impact our inability to procure adequate amounts of raw material required for our operations, at competitive prices, may have an adverse effect on our business, results of operations, cash flows, profitability and financial condition.
5. Our inability to meet our obligations, including financial and other covenants under our debt financing arrangements could adversely affect our business, results of operations and financial condition. Further, any failure to obtain new funding in timely manner or on terms commercially acceptable to us may adversely affect our ability to grow and our future profitability.
6. Our ability to access capital at attractive costs depends on our credit ratings. Downgrade in credit ratings may restrict our access to capital and thereby adversely affect our business and results of operations.
7. We have experienced negative cash flows from operating activities during the six months period ended September 30, 2024 and may experience similar earnings declines or operating losses or negative cash flows from operating activities in the future.
8. Our funding requirements and proposed deployment of the Net Proceeds of the Issue have not been appraised by a bank or a financial institution and if there are any delays or cost overruns, our business, financial condition and results of operations may be adversely affected.
9. Our Company has a high working capital requirement and estimation of value and weight of gold required by our Company for inventory at the new stores proposed to be opened are based on our management's assumptions. We may require alternate funding in future post the utilization of Net Proceeds and if our Company is unable to raise sufficient working capital, the operations of our Company will be adversely affected.
10. We have entered into, and will continue to enter into, related party transactions that may involve conflict of interest.



For details, see “Risk Factors” on page 19. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue.

### Contingent liabilities

Our contingent liabilities as on March 31, 2024 are as under (as provided under the audited financial statements for the year ended March 31, 2024):

(a) Capital commitments:

Description	(in ₹ lakhs)	
	March 31, 2024	March 31, 2023
Estimated value of contract remaining to be executed on capital account net of advances not provided for	300	150

(b) An order for demand of less payment of Customs Duty on imported goods pertaining to financial year 2011-12 for ₹ 154 lakhs passed by Principal Commissioner of Customs, Chennai. The Company has moved a Writ petition against the order with Honourable High Court of Madras for quashing the order passed by the Authority. The Writ was admitted, and status quo is maintained. Direction is given by High Court of Madras to approach Appellate Tribunal / Commissioner (Appeals) to complete the appeals and accordingly company filed appeal which is pending. The Company is advised that it has got a more than reasonable chance for success and therefore no provision is made in the books. Hence, this liability if any it considered as contingent in nature.

(c) In respect of – outstanding Letter of Credit given to bankers ₹ 1,800 lakhs (previous year ₹ 1,900 lakhs)

(d) The Commercial Tax Office, Madurai has issued a notice for the Asst year 2011-12 and 2012-13 on the matter of payment of Sec 12 purchase tax and others made a claim aggregating to ₹ 41 lakhs. The company got a favourable order with the Appellate Authority.

Against this order, the Commercial Tax Office, Madurai has filed an appeal to Sales Tax Appellate Tribunal, Madurai (A.B.) which is pending for hearing. The company is advised that it has got a more than reasonable chance for success and therefore no provision is made in the books. Hence, this liability if any it considered as contingent in nature.

(e) The company has received a demand notice from the income tax department amounting to ₹ 591 lakhs for the year 2016-17 and ₹ 858 lakhs for the year 2017-18 related to dispute of beaten gold waste treatment in the books of account from the assessing officer, as per order under section 143(2) of the Income Tax Act, 1961. Company is in appeal before Commissioner of Appeals against said order. The dispute arises on account of wrongful understanding of the accounting of wastage in refining and melting process by the assessing officer. Though the facts are so obvious and consistently followed by the company and completed assessments in the earlier years as per similar submission made. In the subsequent assessment order for FY 19-20 and FY 20-21, the company on the same matter got the order without any addition by the assessing officers. The company is advised that it has got a more than reasonable chance for success and therefore no provision is made in the books. Hence, this liability if any it considered as contingent in nature.

(f) The company has received demand notice from income tax department amounting to ₹ 106 lakhs for the year 2020-21 relating to dispute of disallowance of legitimate purchases due to no response from the vendor as per order under Section 143(2) of the Income Tax Act, 1961. The company is in appeal before Commissioner of Appeals against the said order. This being a rectifiable in nature, the company is advised that it has got a more than reasonable chance for success and therefore no provision is made in the books. Hence, this liability if any it considered as contingent in nature.

(g) The company has received a demand notice u/s 156 from the income tax department amounting to ₹ 7,018 lakhs for the year 2021-22 relating to disallowance of legitimate expenditure incurred on buying of old gold in exchange to new ornaments from the customer at large u/s 69(3) of the Income Tax Act. The company has moved a writ petition against the order with Honourable High Court of Madras (Madurai bench). The Honourable Court has stayed the order and consequently the demand also for an interim period of 6 weeks from the date of order that is 24/04/2024. Subsequent to that based on the argument and merits of legality of the writ, the request called for by the company in quashing the said order will be determined by the Honourable Court. For the purpose of better understanding and clarity on the matter by the shareholders, we give here under the facts of the dispute. The company in the contrary course of business used to take the old

gold ornament for exchange into new gold ornaments. This is the trade practice throughout the country. We determine the gold price based on the purity parameter for old gold and apply the rate prevailing on the date of exchange with new ornaments. The assessing officer in spite of our submission of a lot of documentary evidence and clarification wrongly applied 18ct purity rate for such old gold purchase instead of accepting the real value determined by the proceeds of purity and rate criterion. By wrongly assuming the purity at 18ct the assessing officer disallowed a some amount of ₹ 7,216 lakhs as excessively paid without considering the actual facts as submitted by us. A great injustice unwittingly caused on the company. Hence by quoting legal position the writ was filed and the stay was granted. It was “prima facie” a wrong addition to the income and more than the disallowance, the assessing officer went on to tax the so called imaginary disallowance u/s 115E at a highest rate of tax. For the facts stated above, we dealt with 113527 customers at different times in that year with whom no money was involved as actual payout but only by sale of new ornaments.

The company is confident that in the restoration of natural justice, the Honourable high court finally will revert it back to the faceless assessing department for fresh orders after taking into consideration the facts of the dispute. For the elaborate reasons that stated and based on writ admittance and stay obtained no need to provide any real or contingent liabilities for the same.

- (h) For the financial years 2019-20, 2020-21 and 2021-22, the company has received a show cause notice under section 73(5) of the CGST Act and SGST Act 2017. The notice pertains to an additional tax liability on consultancy services received from foreign countries and remuneration paid to director, along with issues related to the excess input tax credit claimed by the company. The matter is currently under review and the company had been granted an adjournment with a scheduled hearing on May 21, 2024. The management, in consultation with tax advisor, is actively addressing the queries raised and is preparing to present its case at the upcoming hearing. Given the ongoing nature of the proceedings and based on the legal advice, no liability has been recognized in the financial statements as of now, as the outcome is still uncertain. The company will continue to monitor the situation closely and will comply with all its statutory requirements in resolving this matter.

Additionally for the financial year 2018-19, an order had been passed imposing an additional tax liability of ₹ 13.04 lakh. The company has decided to appeal this order to the Deputy Commissioner of a State Taxes (GST Appeal). The company believes that it has valid ground for the appeal. Therefore, no provision had been made in the financial statement regarding that matter as the final outcome is yet to be determined.

- (i) The company has received demand notice under section 11A(4) of the Central Excise Act, 1944 from Director General of GST Intelligence, Coimbatore Zonal Unit, Coimbatore relating to non payment of Central excise duty for Sale of branded gold coins amounting to ₹ 97 lakhs and sale of silver jewelry amounting to ₹ 31 lakh and dispute on input service credit taken amounting to ₹ 145 lakhs aggregating to ₹ 274 lakhs for the period from 01.03.2016 to 30.06.2017. The company has filed an appeal with Customs, Excise and Service Tax Appealed Tribunal. The company is advised that it had got a more than a reasonable chance for success and therefore no provision is made in the books. Hence, this liability if any is considered as contingent in nature.

#### Related party transactions

For details regarding our related party transactions for Fiscal 2024, in accordance with Ind AS 24, see “Financial Information” on page 75.

(₹ in lakhs)				
Related Party Transactions	Nature of relationship	For the six months ended September 30, 2024	Fiscal ended March 31, 2024	Fiscal ended March 31, 2023
<b>Transactions undertaken during the year</b>				
<b>Directors' Remuneration</b>				
Balarama Govinda Das	Self	72.00	72.00	72.00
Ba. Ramesh	Self	72.00	72.00	72.00
N. B. Kumar	Self	72.00	72.00	72.00
B. Rajesh Kanna	Self	18.00	36.00	36.00
<b>KMP's Remuneration</b>				
V.Vijayaraghavan	Company Secretary	16.00	28.00	24.00
<b>Salary paid to relatives of KMP</b>				

<b>Related Party Transactions</b>	<b>Nature of relationship</b>	<b>For the six months ended September 30, 2024</b>	<b>Fiscal ended March 31, 2024</b>	<b>Fiscal ended March 31, 2023</b>
B. Prasannan	Manager - Son of Balarama Govinda Das, MD	-	2.25	27.00
N.B. Arun	Promotor Group Son of Balarama Govinda Das, MD	14.00	21.00	21.00
R.Gokul	Promotor Group Son of Ba. Ramesh, JMD	16.00	24.00	24.00
B.K. Kishorelal	Promotor Group Son of N. B. Kumar, JMD	9.00	11.50	6.00
R. Shallini	Wife of B. Rajesh Kanna, CFO	3.00	3.00	3.00
P. Shylaja	Promotor Group Wife of B. Prasannan Manager	13.00	25.00	3.00
<b>Amounts payable at the year end</b>				
Balarama Govinda Das	Managing Director	1,023.00	768.00	428.00
Ba. Ramesh	Joint Managing Director	513.00	148.00	179.00
N. B. Kumar	Joint Managing Director	1,477.00	1,197.00	743.00
Yamuna Vasini Deva Dasi	Promotor Group Wife of Balarama Govinda Das, MD	1,349.00	1,267.00	1,250.00
B. R. Sumati	Promotor Group Wife of Ba. Ramesh, JMD	861.00	-	1,260.00
K. Thamarai Selvi	Promoter Group Wife of N. B. Kumar, JMD	1,520.00	-	1,250.00
<b>Interest Paid/ Payable</b>				
Balarama Govinda Das	Managing Director	22.00	36.00	69.00
Ba. Ramesh	Joint Managing Director	4.00	18.00	63.00
N. B. Kumar	Joint Managing Director	17.00	61.00	101.00
K. Thamarai Selvi	Promoter Group Wife of N. B. Kumar, JMD	34.00	1,120.00	77.00
B.R. Sumathi	Promotor Group Wife of Ba. Ramesh, JMD	19.00	106.00	69.00
Yamuna Vasini Deva Dasi	Promotor Group Wife of Balarama Govinda Das, MD	20.00	76.00	70.00
Prahaladan	Son of B. Prasannan, Manager	-	1.00	1.00
P. Shylaja	Promotor Group Wife of B. Prasannan Manager	-	1.00	1.00
Ba. R. Darmini	Daughter of Ba.Ramesh, JMD	-	1.00	1.00

<b>Related Party Transactions</b>	<b>Nature of relationship</b>	<b>For the six months ended September 30, 2024</b>	<b>Fiscal ended March 31, 2024</b>	<b>Fiscal ended March 31, 2023</b>
Thangamayil Gold and Diamond Private Limited	Promoter Group	-	-	5.00
Balusamy Silvears Jewellery Private Limited*	Promoter Group	-	-	1.00
<b>Dividend Paid</b>				
Balarama Govinda Das	Managing Director	316.00	369.00	290.00
Ba. Ramesh	Joint Managing Director	320.00	373.00	293.00
N. B. Kumar	Joint Managing Director	317.00	369.00	289.00
B. Rajesh Kanna	CFO	5.56	4.00	3.00
B. Prasannan	Manager - Son of Balarama Govinda Das, MD	-	2.00	3.00
K. Thamarai Selvi	Promoter Group Wife of N. B. Kumar, JMD	9.00	6.00	2.00
Ba.R.Darmini	Daughter of Ba.Ramesh, JMD	13.00	9.00	6.00
Yamuna Vasini Deva Dasi	Promoter Group Wife of Balarama Govinda Das, MD	6.00	4.00	3.00
R. Gokul	Promoter Group Son of Ba. Ramesh, JMD	5.00	3.00	3.00
N.B. Arun	Promoter Group Son of Balarama Govinda Das, MD	6.00	4.00	3.00
B.K. Kishorelal	Promoter Group Son of N. B. Kumar, JMD	6.00	4.00	3.00
B. R. Sumati*	Promoter Group Wife of Ba. Ramesh, JMD	1.00	1.00	-
R. Shalini	Wife of B. Rajesh Kanna, CFO	2.00	2.00	1.00
P. Shylaja	Promoter Group Wife of B. Prasannan Manager	10.00	5.00	1.00
Thangamayil Gold and Diamond Private Limited	Promoter Group	45.00	105.00	81.00
Balusamy Silvears Jewellery Private Limited	Promoter Group	14.00	34.00	26.00
<b>Advance</b>				
Thangamayil Gold and Diamond Private Limited	Promoter Group	132.00	2.00	7.00
Balusamy Silvears Jewellery Private Limited	Promoter Group	17.00	17.00	2.00

\* Amount below rounding-off limit

#### **Issuance of Equity Shares for consideration other than cash in the last one year**

Our Company has not issued any Equity Shares for the consideration other than cash in the last one year.

## RISK FACTORS

*An investment in equity shares involves a high degree of risk. Prospective investors should carefully consider all the information in the Draft Letter of Offer, including the risks and uncertainties described below, before making an investment in the Equity Shares. The risks described in this section are not the only ones relevant to us or the Equity Shares but also includes the industry and segments in which we currently operate. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our businesses, results of operations, financial condition and cash flows. If any of the following risks, or a combination of risks, or other risks that are not currently known or are currently deemed immaterial, actually occur, our businesses, results of operations, financial condition and cash flows could be adversely affected, the trading price of the Equity Shares could decline, and you may lose all or part of your investment. To obtain a complete understanding of us, prospective investors should read this section in conjunction with Our Business' and 'Management Discussion and Analysis of Financial Condition and Results of Operations' on pages 65 and 77, respectively, as well as the financial, statistical and other information contained in the Draft Letter of Offer. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Issue including the merits and risks involved. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in the Equity Shares.*

*Financial information as of and for the six months ended September 30, 2024 and Financial Year ended March 31, 2024 are not indicative of future operating results and are not comparable with annual financial information.*

*Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section.*

### INTERNAL RISK FACTORS

- 1. Our business is primarily concentrated in Tamil Nadu and we are dependent on our stores located in Tamil Nadu for revenue generation. Any adverse development affecting such region or stores may have an adverse effect on our business, prospects, financial condition and results of operations. Further, our inability to identify market trends and customer demand accurately and maintain an optimal level of inventory in our stores may impact our operations adversely.***

All of our stores are located in Tamil Nadu, Due to the geographic concentration of the sale of our products in Tamil Nadu, our operations are susceptible to local and regional factors, such as economic and weather conditions, natural disasters, demographic changes, and other unforeseen events and circumstances. Consequently, any significant social, political or economic disruption, or natural calamities or civil disruptions in this region, or changes in policies of the state or local governments or the government of India or adverse developments related to competition in this region, may adversely affect our business, results of operations, financial condition and cash flows. Further, we cannot assure you that the concentration of our stores in Tamil Nadu will continue to be attractive or profitable as demographic patterns change or if real estate prices or lease rentals change in the region in which our stores are located. While we have not experienced any of the above risks that had an adverse impact on our business operations and financial conditions in the past, we cannot assure you that these risks will not arise in the future.

The success of our business depends upon our ability to anticipate and forecast customer demand and trends, specifically in Tamil Nadu, considering our concentrated presence in this region. 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 and loss of customers. Maintaining an optimal level of relevant inventory is important to our business as it allows us to respond to customer demand effectively.

We estimate our monthly sales for every Fiscal prior to the commencement of the Fiscal based on assumptions including the estimated growth rate of every store, festive periods, location specific preferences, design, size and quality and other factors. Monthly inventory is monitored based on actual sales, historical sales at the relevant store, our capital work-in progress and balance inventory levels, and other factors such as market trends, supplier performance, economic conditions, competitive landscape, and seasonal demand. Since we need to maintain inventory for all our brands and sub-brands, designs and styles, we maintain sufficient inventory readily available at our stores.

Further, we keep sufficient inventory in our stores which provides us flexibility in transporting merchandise of particular design or style to a store where it is selling quickly while avoiding piling of low selling inventory. If a particular design or style is not selling well in certain stores, we may undertake cross shipment of such designs or styles to stores where sales are better. The low sales designs or styles are monitored, and additional incentives such as discounts may be offered to minimise inventory build-up or the batch production may be curtailed for designs that are slow-moving.

Any such adverse development could result in significant loss from inability to meet inventory schedules and stock our stores 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.

2. ***We require certain approvals, permits and licenses in the ordinary course of business, and any failure or delay to obtain or renew them or to comply with their conditions in the future may adversely affect our operations. Further, we have not yet applied for fire no objection certificate for our stores and also the application for registration of establishment is pending under the Tamil Nadu Shops and Establishments Rules, 1948.***

We are governed by various laws and regulations for our business and operations. We are required, and will continue to be required, to obtain and hold relevant licenses, approvals and permits at the local, state and central government levels for doing our business. Additionally, we may need to apply for renewal of certain approvals, licenses and permits, which expire or seek fresh approvals/licenses/permits, from time to time, as and when required in the ordinary course of our business. There can be no assurance that the relevant authorities will issue such licenses, permits or approvals in the timeframe anticipated by us or at all. There can be no guarantee that we will be able to obtain or renew all such approvals in a timely manner or at all. Our failure to renew, maintain or obtain the required licenses, permits or approvals within the requisite time may result in the interruption of our operations and may have a material adverse effect on our business, financial condition and results of operations.

Our permits, licenses and approvals are subject to several conditions, some of which could be onerous and we cannot assure you that we shall be able to continuously meet such conditions or be able to prove compliance with such conditions to statutory authorities, which may lead to cancellation, revocation or suspension of relevant permits / licenses / approvals. The loss of approvals, licenses and permits may cause disruptions in our business operations and may cause us to undertake significant expenditure to rectify non-compliance or denial of approvals, including relocation of facilities and loss of the use of one or more of our stores. Further, we cannot assure you that penalties under applicable laws would not be imposed on us in the event of non-compliance or alleged non-compliance with any of the terms or conditions thereof, or pursuant to any regulatory action.

As of the date of the Draft Letter of Offer, our Company is in the process of making application for grant of fire no objection certificate for our showrooms. For details refer to section titled "Government and Other Approvals" on page 88. There has been no such incident of fire at any of our outlet of premises, but we cannot assure you such incident may not happen in future. Further, we may have to incur additional cost, as may be required towards implementation of the fire plan, if any advised by the authority or penalty if any levied on us for making delayed application for obtaining such registration.

Further, vide amendment to the Tamil Nadu Shops and Establishments Rules, 1948 notified on July 02, 2024, the employer of every establishment in existence on the date of commencement of the Tamil Nadu Shops and Establishments (Amendment) Act, 2018 shall furnish online, through the designated web portal of the Labour Department, details of the establishment in specified form to the Inspector of the area in which the establishment is located. The said amendment has not specified any timelines within which the establishment has to make such application. Our Company is in the process of making such application with the Labour Department.

3. ***The strength of the brands we use are crucial to our success. Also, our ability to attract customers is dependent on the success and visibility of our showrooms. Any reputational damage to the brand, name or logo could have an adverse effect on our financial condition, cash flows and results of operations.***

The brands we use and our reputation are among our most important assets, attracting consumers to our products ahead of those offered by competitors. We consider the recognition and reputation of our various designs and collections under the trademarks such as Subiksham, Minimini Diamonds (Thangamayil Diamonds for everyone), Sayonee, Omana, Punnagai, BeU, Thanga Mangalyam, Sil-Wear Smile, Kutty smile and Lakshanam, as being one of the key contributors to the growth and success of our business.

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. Sales at our showrooms are derived, in part, from the volume of customer visits in the relevant locations. Showroom locations may become unsuitable, and our sales volume and customer traffic generally may be slowed, by, among other things: (i) economic downturns in a particular area; (ii) competition from nearby jewellery showroom(s); (iii) changing consumer demographics in a particular market; (iv) changing lifestyle choices of consumers in a particular market; and (vi) the popularity of other businesses located near our showrooms.

Given the long-term nature of our leases and our dependence on customers visiting our showrooms, our success is partially dependent upon the continued popularity of particular locations. Changes in areas around our showroom locations that result in reductions in customer traffic 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.

Our business and results of operations is primarily influenced by the strength of our flagship brand, including the level of consumer recognition and perception of our brand. The strength of our brand depends on factors such as our growth, our product designs, the materials used to make our products, recognition of the quality of our products, the distinct character and presentation of our products, pricing of products, market penetration, presentation and layout of our stores as well as the accessibility of products and marketing initiatives. Any loss of trust in our products by consumers due to unsatisfactory quality control and assurance standards could adversely affect our brand reputation and subject us to additional risks and customer scrutiny.

Further, any negative reviews from customers regarding the quality of our products, inability to deliver quality products at competitive prices and accidents or crimes at our stores could adversely affect public perception about us. Further, allegations of product defects or misbranding could tarnish our image and may cause customers to choose other brands. We also have our customer care number and e-mail address from on which any customer can send their grievance, which we endeavour to address within one week of receiving such complaint. 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. Further, adverse publicity regarding, among others, our brand ambassadors, and unsuccessful product introductions may also impact our brand image. While there have not been any such past material instances, celebrities who may be directly associated with our Company can shape public perception about us and our brands/products, or they themselves may face adverse impacts to their personal reputation and public standing for any number of reasons, all of which could impact our flagship brand and sub- brands and our reputation.

4. ***Our operations are dependent on the supply of gold and other precious metal and bullions. Prices of gold and such precious metal and bullions are impacted by global trends, geopolitical events, speculative trading, government policies and supply chain issues which could impact our inability to procure adequate amounts of raw material required for our operations, at competitive prices, may have an adverse effect on our business, results of operations, cash flows, profitability and financial condition.***

Our business depends on the availability of reasonably priced raw materials in the quantities required by us. Cost of our gold jewellery is dependent on our ability to source gold and other precious metals and bullions at acceptable prices and maintain a stable and sufficient supply of gold. The gold we use are subject to price volatility and unavailability caused by external conditions, such as price fluctuations within India and globally, supply and demand dynamics, logistics and processing costs, our bargaining power with the suppliers, inflation and governmental regulations and policies. We have, in the past, experienced price increases which may result in unexpected increases in our costs.

Set forth below are our cost of goods sold in the corresponding years:

Particulars	(in ₹ lakhs)		
	Six months period ended September 30, 2024	Fiscal 2024	Fiscal 2023
Cost of goods sold	2,20,247	3,40,396	2,81,641
Total revenue from operations	2,39,843	3,82,678	3,15,255
Cost of goods sold as a percentage of revenue from operations (in %age)	91.83%	88.95%	89.34%

\* *Cost of Goods Sold includes Cost of Materials Consumed, Purchase of Stock in Trade and Change in Inventories of Finished Goods / Work-in-progress / Stock in trade (excluding direct overheads and wages). For a reconciliation of Cost of Goods Sold and Cost of Goods Sold as a percentage of revenue from operations, see "Management's Discussion and Analysis of Financial Condition and Results of Operations - Reconciliation of Non-GAAP Measures" on page 82.*

The change in global prices makes a significant impact on the prices of gold, and the cost fluctuation, if any, on the inventory which we hold, we may not be able to pass on to the consumers and which would correspondingly affect our various margins and financial condition. If we are unable to manage these costs or to increase the prices of our products to offset these increased costs, our margins, cash flows and overall profitability may be adversely affected.

Our business is also dependent on suppliers of gold. We do not enter into long term supply arrangements for purchase of gold. Further, except as disclosed in the "Financial Statements- Note 34: Related Party Transactions" on page F-37, there is no conflict of interest between the suppliers of our raw materials (crucial for our operations) and our Company, our Promoter, entities forming part of our Promoter Group, our Key Managerial Personnel, our Senior management, our Directors and their respective directors and our Group Companies. If any of the key suppliers fail for any reason to deliver gold in a timely manner or at all, it may affect our ability to manage our inventory levels, manufacture of jewellery, and ability to supply such products to our customers. This may also result in an increase in our procurement costs which we may or may not be able to pass on to our customers. Further, there can be no assurance that we will be able to effectively manage relationships with our existing or new suppliers or that we will be able to enter into arrangements with new suppliers at attractive terms or at all. If we fail to successfully leverage our existing and new relationships with suppliers, our business and financial performance could be adversely affected.

**5. *Our inability to meet our obligations, including financial and other covenants under our debt financing arrangements could adversely affect our business, results of operations and financial condition. Further, any failure to obtain new funding in timely manner or on terms commercially acceptable to us may adversely affect our ability to grow and our future profitability***

We have entered into agreements with certain banks and financial institutions to avail short-term and long-term borrowings. As of September 30, 2024, our total borrowings amounted to ₹ 77,108 lakhs. Some of these borrowing arrangements are secured through charge over current assets, present and future, including movable plant and machinery. In the event of a default by our Company under any loan facility, the respective lender may enforce its rights, including by way of repossession, appropriation or sale of such assets provided as security under the relevant loan agreements. We cannot assure you that we will not default on any of our repayment obligations or other terms of the borrowing arrangements in the future or that our respective lenders will not enforce their rights upon such default.

Our financing agreements also contain certain restrictive covenants that limit or delay our ability to undertake certain types of transactions, and could adversely affect our business and financial conditions. Under certain financing arrangements, we are required to obtain prior consent from the relevant lenders, or intimate them, for actions such as:

- alteration of our capital structure;
- any change in the promoter or control or any material change in the management of our business;
- the creation of charges, liens or encumbrance in favour of other lenders; and
- declaring dividends or repaying certain investors (in the case of an event of default).

Our lenders may cancel the undrawn amount of the facility in certain circumstances, including downgrading of our credit rating by a credit rating agency. Further in the event of breach of any financial or other covenants contained in any of our financing arrangements, we may be required to immediately repay our borrowings either in whole or in part, together with any related costs. Such adverse events may lead to liquidity risk, and we may be forced to sell some of our assets to make such repayments. Any adverse or restrictive change in



the regulatory framework on credit system by the RBI or any other regulatory agency may have adverse effect on our business, financial condition, and results of operations. Any failure to meet our obligations under credit facilities could have an adverse effect on our business, financial condition and results of operations.

Further, our primary sources of external debt funding include gold metal loan and long term / short term fund based limits. Our continued business growth, liquidity and profitability will depend on our ability to obtain adequate liquidity in a timely manner from relatively stable and cost-effective sources of funds, which in turn depends on our operating and financial performance, cash flows, credit ratings and relationships with lenders. We cannot assure you that our business will generate sufficient cash at all times to enable us to service our operational liquidity needs and to fund existing debt on repayment. Further, any increase in interest rates due to regulatory or market driven changes will increase the cost of servicing existing or future debt.

Our ability to obtain additional financing on favourable terms will depend on numerous factors, such as our current and future profitability, ability to generate cash flows, operational efficiency, existing indebtedness and related terms (security, limits, our track record of compliance with the covenants contained in our financial agreements, among others), product-market fit for our products, competition, overall market conditions including financial markets, general economic and political environment and other conditions in the markets where we operate. An event of default, a significant negative ratings action by a rating agency, an adverse action by a regulatory authority or a general deterioration in prevailing economic conditions may make it difficult for us to access financing in a cost-effective manner.

Our Company has not violated any of the restrictive covenants / events of default or undergone rescheduling for repayment of loans in the past two financial years or the current financial year with respect to the debt financing that the company has availed. Also, there has been no instance in the past two fiscal years wherein promoters personal guarantee have been invoked and / or loan defaults have been made by the Company. However, there is no assurance that we will be in compliance with such covenants in the future.

We cannot assure you that we will be able to raise required financing on acceptable terms in a timely manner or at all. Our failure to renew arrangements for existing funding or to obtain additional financing on acceptable terms and in a timely manner could adversely impact our business, results of operations and financial condition.

**6. Our ability to access capital at attractive costs depends on our credit ratings. Downgrade in credit ratings may restrict our access to capital and thereby adversely affect our business and results of operations.**

Our borrowing costs and our access to capital and loan markets depend on our credit ratings. These ratings are assigned by rating agencies. Based on any future adverse operating and financial performance of our Company, credit rating agencies may downgrade or withdraw their ratings or place us on “credit watch” with negative implications at any time. The credit ratings of our instruments as of the date of the Draft Letter of Offer are set forth below:

Nature of instrument	Rated amount (₹ in lakhs)	Credit rating assigned
Long term fund based – Working Capital limits	25,700.00	[ICRA]A, upgraded from [ICRA]A-, outlook revised to Stable from Positive
Short term fund based limits	25,400.00	[ICRA]A2+, reaffirmed
Short term – interchangeable limits	(25,700.00)	[ICRA]A2+, reaffirmed
Long term – interchangeable limits	(15,300.00)	[ICRA]A, upgraded from [ICRA]A-, outlook revised to Stable from Positive
Fixed Deposits	9,500.00	[ICRA]A, upgraded from [ICRA]A-, outlook revised to Stable from Positive
<b>Total</b>	<b>60,600.00</b>	

A decline in our credit ratings could increase our borrowing costs and limit our access to the capital and loan markets. This, in turn, could reduce our earnings and adversely affect our liquidity. Further, any downgrade in our credit ratings may also trigger an event of default or acceleration of certain of our current or future borrowings.

**7. We have experienced negative cash flows from operating activities during the six months period ended September 30, 2024 and may experience similar earnings declines or operating losses or negative cash flows from operating activities in the future.**

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

Particulars	For the six months period ended September 30, 2024	₹ in lakhs	
		Fiscal	
		2024	2023
Net cash flows from / (used in) operating activities	(2,023)	33,038	1,044
Net cash flows from / (used in) investing activities	(8,567)	(2,965)	(8,642)
Net cash flows from / (used in) financing activities	13,226	(29,282)	7,799

We had net negative cash outflow from operating activities of ₹ (2,023) lakhs during the six months period ended September 30, 2024 primarily on account of increase in inventories maintained by the Company ahead of the festival season. There can be no assurances that cash flows will be positive in the future thereby creating an adverse impact on our ability to meet working capital expenditure, repay loans without raising finance from external resources. If we are not able to generate sufficient cash flows, it may adversely affect our business and financial operations.

**8. *Our funding requirements and proposed deployment of the Net Proceeds of the Issue have not been appraised by a bank or a financial institution and if there are any delays or cost overruns, our business, financial condition and results of operations may be adversely affected.***

We intend to use the Net Proceeds of the Issue for the purposes described in “Objects of the Issue” on page 54. The objects of the Issue have not been appraised by any bank or financial institution. Whilst a monitoring agency will be appointed for monitoring utilisation of the Gross Proceeds, the proposed utilisation of Gross Proceeds is based on current conditions, our business plans and internal management estimates and is subject to changes in external circumstances or costs, or in other financial condition, business or strategy, as discussed further below. Based on the competitive nature of our industry, we may have to revise our business plan and / or management estimates from time to time and consequently our funding requirements may also change. Our internal management estimates may exceed fair market value or the value that would have been determined by third party appraisals or fluctuation in the prices of gold in international or domestic market, may require us to reschedule or reallocate our project and capital expenditure and may have an adverse impact on our business, financial condition, results of operations and cash flows.

Our Company, in accordance with the policies established by the Board from time to time, will have flexibility to deploy the Net Proceeds. Further, pending utilisation of Net Proceeds towards the Objects of the Issue, our Company will have the flexibility to deploy the Net Proceeds and to deposit the Net Proceeds temporarily in deposits with one or more scheduled commercial banks included in Second Schedule of Reserve Bank of India Act, 1939, as may be approved by our Board. Accordingly, prospective investors in the Issue will need to rely upon our management’s judgment with respect to the use of Net Proceeds.

Various risks and uncertainties, such as economic trends and business requirements, competitive landscape, as well as general factors affecting our results of operations, financial condition and access to capital and including those set forth in this section, may limit or delay our efforts to use the Net Proceeds to, among others, (i) achieve profitable growth in our business, (ii) attract more customers or conversion of footfalls into sales, (iii) capitalise on new opportunities to expand our consumer base. For example, our growth initiatives and expansion plans could be delayed due to failure to receive regulatory approvals, human resource, technological or other resource constraints, or for other unforeseen reasons, events or circumstances. Further, we may not be able to attract personnel with sufficient skills or sufficiently train our personnel to manage our expansion plans. Accordingly, use of the Net Proceeds for other purposes identified by our management may not result in actual growth of our business, increased profitability or an increase in the value of our business and your investment.

**9. *Our Company has a high working capital requirement and estimation of value and weight of gold required by our Company for inventory at the new stores proposed to be opened are based on our management's assumptions. We may require alternate funding in future post the utilization of Net Proceeds and if our Company is unable to raise sufficient working capital, the operations of our Company will be adversely affected.***

Our business requires significant working capital for our business operation, financing inventory through credit limits for metal loan and any change in terms of credit or payment would affect our working capital. The following table shows our net working capital turnover ratio as on six months ended September 30, 2024 and as on March 31, 2024, March 31, 2023 and March 31, 2022, respectively:

(₹ in lakhs)

Particulars	For the six months period ended September 30, 2024	Fiscal	
		2024	2023
Net working capital (₹ in lakhs)*	95,087	76,984	74,668
Revenue from operations	2,39,843	3,82,678	3,15,255
Net working capital turnover ratio *	2.52	4.97	4.22

\* based on Financial Information and excludes cash and cash equivalents, current borrowings and lease liabilities

# not annualised

We propose to use ₹ 38,416.32 lakhs out of Net Proceeds of the Issue towards meeting our requirement towards the inventory at the New Stores proposed to be opened. The estimation made by our Company is based on the historical data for the inventory held by us at the existing stores and certain key assumptions by our management. Further, we may require alternative means of funding in future even after the utilization of Net Proceeds. Our inability to meet our requirements of investment for gold inventory or our working capital requirements will have an adverse impact on our results of operation, business and financial condition.

**10. We have entered into, and will continue to enter into, related party transactions that may involve conflict of interest.**

We have in the course of our business entered into transactions with related parties and the nature of such transactions includes purchase of raw material, payment of directors' remuneration and extending unsecured loans to our Company. The summary of the transaction entered into with related parties are as under:

(₹ in lakhs)

Nature of transaction	For the six months period ended September 30, 2024		For the Fiscal ended March 31,			
			2024		2023	
	Amount	%age	Amount	%age	Amount	%age
Directors' & KMPs' Remuneration and salary paid to relatives of KMP <sup>(1)</sup>	305	7.23%	367	5.38%	360	6.16%
Interest Paid / Payable <sup>(2)</sup>	116	5.92%	1,420	39.09%	458	13.12%
Amounts payable at the year end (including Loans/Advances Received) <sup>(3)</sup>	6,743	8.74%	3,380	6.75%	5,110	9.32%
Dividend Paid <sup>(4)</sup>	1,075	27.48%	1,294	10.50%	1,007	12.63%
Advance <sup>(5)</sup>	149	0.08%	19	0.01%	9	0.01%

<sup>(1)</sup> As percent of the total employee cost for the period

<sup>(2)</sup> As a percentage of total finance cost for the period

<sup>(3)</sup> As percent of total borrowings

<sup>(4)</sup> As percent of profit after tax and before comprehensive income

<sup>(5)</sup> As percent of total assets

For details of the related party transactions, see "Financial Information - Note 34: Related Parties Transactions" on page F-37.

If we are unable to continue with such transactions with the above related parties in the future, there may be a negative impact on our business operations.

While we believe that all such transactions have been conducted on an arm's length basis, we cannot assure you that we could not have achieved more favourable terms had such transactions not been entered into with related parties. It is likely that we may enter into related party transactions in the future. Although related party transactions that we may enter into are subject to the Audit Committee, Board or Shareholder approval, as necessary under the Companies Act, 2013, and the SEBI Listing Regulations, we cannot assure you that our existing agreements and any such future transactions, will be in the interest of our Company and minority shareholders and in compliance with the SEBI Listing Regulations and individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations. Furthermore, any future transactions with our related parties could potentially involve conflicts of interest which may be detrimental to our Company. There can be no assurance that we will be able to address such conflicts of interest in the future.

**11. There are outstanding legal proceedings against Our Company which may adversely affect our business, financial condition and results of operations.**

There are outstanding legal proceedings against us that are incidental to our business and operations. These proceedings are pending at different levels of adjudication before various courts, tribunals, enquiry officers and appellate tribunals. Such proceedings could divert management time and attention, and consume financial resources in their defense. Further, an adverse judgment in some of these proceedings could have an adverse impact on our business, financial condition and results of operations. For details in relation to certain material litigation, see “*Outstanding Litigation and Material Developments*” on page 85.

A summary of the outstanding legal proceedings against the Company as disclosed in the Draft Letter of Offer along with the amount involved, to the extent quantifiable, have been set out below:

Name of entity	Proceedings involving issues of moral turpitude or criminal liability	Civil proceedings where the amount involved is equivalent to or in excess of the materiality threshold	Tax proceedings where the amount involved is equivalent to or in excess of the materiality threshold	Proceedings before regulatory authorities involving material violations of statutory regulations	Matters involving economic offences where proceedings have been initiated	Other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position	Aggregate amount involved (₹ in lakhs) #
By our Company	-	-	-	-	-	-	-
Against our Company	-	-	4	-	-	-	9,013.29

# Amount to the extent quantifiable

As on the date of the Draft Letter of Offer, our Company do not have any subsidiary.

However, none of the above litigation(s) are so significant that continuation of operations of our Company are dependent on the outcome of such pending litigation(s). For further details, see “*Outstanding Litigation and Material Developments*” on page 85.

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

Our contingent liabilities as on March 31, 2024 are as under (as provided under the audited financial statements for the year ended March 31, 2024):

(a) Capital commitments:

Description	(in ₹ lakhs)	
	March 31, 2024	March 31, 2023
Estimated value of contract remaining to be executed on capital account net of advances not provided for	300	150

(b) An order for demand of less payment of Customs Duty on imported goods pertaining to financial year 2011-12 for ₹ 154 lakhs passed by Principal Commissioner of Customs, Chennai. The Company has moved a Writ petition against the order with Honourable High Court of Madras for quashing the order passed by the Authority. The Writ was admitted, and status quo is maintained. Direction is given by High Court of Madras to approach Appellate Tribunal / Commissioner (Appeals) to complete the appeals and accordingly company filed appeal which is pending. The Company is advised that it has got a more than reasonable chance for success and therefore no provision is made in the books. Hence, this liability if any it considered as contingent in nature.

(c) In respect of – outstanding Letter of Credit given to bankers ₹ 1,800 lakhs (previous year ₹ 1,900 lakhs)

(d) The Commercial Tax Office, Madurai has issued a notice for the Asst year 2011-12 and 2012-13 on the matter of payment of Sec 12 purchase tax and others made a claim aggregating to ₹ 41 lakhs. The company got a favourable order with the Appellate Authority.

Against this order, the Commercial Tax Office, Madurai has filed an appeal to Sales Tax Appellate Tribunal, Madurai (A.B.) which is pending for hearing. The company is advised that it has got a more than reasonable chance for success and therefore no provision is made in the books. Hence, this liability if any it considered as contingent in nature.

- (e) The company has received a demand notice from the income tax department amounting to ₹ 591 lakhs for the year 2016-17 and ₹ 858 lakhs for the year 2017-18 related to dispute of beaten gold waste treatment in the books of account from the assessing officer, as per order under section 143(2) of the Income Tax Act, 1961. Company is in appeal before Commissioner of Appeals against said order. The dispute arises on account of wrongful understanding of the accounting of wastage in refining and melting process by the assessing officer. Though the facts are so obvious and consistently followed by the company and completed assessments in the earlier years as per similar submission made. In the subsequent assessment order for FY 19-20 and FY 20-21, the company on the same matter got the order without any addition by the assessing officers. The company is advised that it has got a more than reasonable chance for success and therefore no provision is made in the books. Hence, this liability if any it considered as contingent in nature.
- (f) The company has received demand notice from income tax department amounting to ₹ 106 lakhs for the year 2020-21 relating to dispute of disallowance of legitimate purchases due to no response from the vendor as per order under Section 143(2) of the Income Tax Act, 1961. The company is in appeal before Commissioner of Appeals against the said order. This being a rectifiable in nature, the company is advised that it has got a more than reasonable chance for success and therefore no provision is made in the books. Hence, this liability if any it considered as contingent in nature.
- (g) The company has received a demand notice u/s 156 from the income tax department amounting to ₹ 7,018 lakhs for the year 2021-22 relating to disallowance of legitimate expenditure incurred on buying of old gold in exchange to new ornaments from the customer at large u/s 69(3) of the Income Tax Act. The company has moved a writ petition against the order with Honourable High Court of Madras (Madurai bench). The Honourable Court has stayed the order and consequently the demand also for an interim period of 6 weeks from the date of order that is 24/04/2024. Subsequent to that based on the argument and merits of legality of the writ, the request called for by the company in quashing the said order will be determined by the Honourable Court. For the purpose of better understanding and clarity on the matter by the shareholders, we give here under the facts of the dispute. The company in the contrary course of business used to take the old gold ornament for exchange into new gold ornaments. This is the trade practice throughout the country. We determine the gold price based on the purity parameter for old gold and apply the rate prevailing on the date of exchange with new ornaments. The assessing officer in spite of our submission of a lot of documentary evidence and clarification wrongly applied 18ct purity rate for such old gold purchase instead of accepting the real value determined by the proceeds of purity and rate criterion. By wrongly assuming the purity at 18ct the assessing officer disallowed a some amount of ₹ 7,216 lakhs as excessively paid without considering the actual facts as submitted by us. A great injustice unwittingly caused on the company. Hence by quoting legal position the writ was filed and the stay was granted. It was “prima facie” a wrong addition to the income and more than the disallowance, the assessing officer went on to tax the so called imaginary disallowance u/s 115E at a highest rate of tax. For the facts stated above, we dealt with 113527 customers at different times in that year with whom no money was involved as actual payout but only by sale of new ornaments.

The company is confident that in the restoration of natural justice, the Honourable high court finally will revert it back to the faceless assessing department for fresh orders after taking into consideration the facts of the dispute. For the elaborate reasons that stated and based on writ admittance and stay obtained no need to provide any real or contingent liabilities for the same.

- (h) For the financial years 2019-20, 2020-21 and 2021-22, the company has received a show cause notice under section 73(5) of the CGST Act and SGST Act 2017. The notice pertains to an additional tax liability on consultancy services received from foreign countries and remuneration paid to director, along with issues related to the excess input tax credit claimed by the company. The matter is currently under review and the company had been granted an adjournment with a scheduled hearing on May 21, 2024. The management, in consultation with tax advisor, is actively addressing the queries raised and is preparing to present its case at the upcoming hearing. Given the ongoing nature of the proceedings and based on the legal advice, no liability has been recognized in the financial statements as of now, as the outcome is

still uncertain. The company will continue to monitor the situation closely and will comply with all its statutory requirements in resolving this matter.

Additionally for the financial year 2018-19, an order had been passed imposing an additional tax liability of ₹ 13.04 lakh. The company has decided to appeal this order to the Deputy Commissioner of a State Taxes (GST Appeal). The company believes that it has valid ground for the appeal. Therefore, no provision had been made in the financial statement regarding that matter as the final outcome is yet to be determined.

- (i) The company has received demand notice under section 11A(4) of the Central Excise Act, 1944 from Director General of GST Intelligence, Coimbatore Zonal Unit, Coimbatore relating to non payment of Central excise duty for Sale of branded gold coins amounting to ₹ 97 lakhs and sale of silver jewelry amounting to ₹ 31 lakh and dispute on input service credit taken amounting to ₹ 145 lakhs aggregating to ₹ 274 lakhs for the period from 01.03.2016 to 30.06.2017. The company has filed an appeal with Customs, Excise and Service Tax Appealed Tribunal. The company is advised that it had got a more than a reasonable chance for success and therefore no provision is made in the books. Hence, this liability if any is considered as contingent in nature.

For further information in relation to our contingent liabilities as of March 31, 2024, see “*Financial Information*” on page 75. If these contingent liabilities materialize, they could adversely affect our business, results of operations and financial condition.

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

Pursuant to the 20/80 scheme for import of gold introduced by way of the RBI circular dated July 22, 2013 (numbered RBI/2013-14/148, A.P. (DIR Series) Circular No.15) and the RBI circular dated August 14, 2013 (numbered RBI/2013-14/187, A.P. (DIR Series) Circular No. 25), 20% of the gold imported by a nominated bank was required to be made available for the purpose of exports and the supply of gold in any form to the domestic users other than against full payment upfront was not to be permitted. This adversely impacted our ability to procure gold through metal gold loans. On May 21, 2014 (numbered RBI/2013-14/600/A.P. (DIR Series) Circular No.133), RBI permitted nominated banks, to give gold metal loans to domestic jewellery manufacturers out of the eligible domestic import quota of 80%. The above-mentioned restrictions were subsequently withdrawn by way of the RBI circular dated November 28, 2014 (numbered RBI/2014-15/329, A.P. (DIR Series) Circular No. 42). In the event there is any such adverse change in these regulations in the future, we may not be able to enjoy the extended borrowing period 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.

**14. *The improper handling, processing or storage of our gold, other precious metal and bullions, or theft of such raw materials, could subject us to regulatory action, damage our reputation and have an adverse effect on our business, results of operations and financial condition.***

The jewellery that we manufacture are subject to risks such as counterfeit of design or similar nature. Any shortcoming in the manufacturing of jewellery due to negligence, human error or otherwise, may deteriorate our quality of our products and result in non-compliance with applicable regulatory standards too. Any allegation that our jewellery is not adhering to notified standards could damage our reputation, adversely affect our sales and result in legal proceedings being initiated against us, irrespective of whether such allegations have any factual basis.

We face inherent business risks of exposure to product liability claims in the event that our jewellery fails to meet the required quality standards including as prescribed under the mandatory hallmarking under Bureau of Indian Standards and the rules made thereunder. “Hallmark Unique Identification” (HUID) is a system developed by the Bureau of Indian Standards (BIS) to authenticate and identify the purity of gold and other precious metals used in jewellery. It is a unique identification number that is assigned to each piece of jewellery that meets the prescribed standards. While we have laid down protocols for handling and storage of our inventory and during jewellery manufacturing process, our control and supervision is limited. Any liability claim arising out of purity claim or adverse regulatory action may adversely affect our reputation and brand image, as well as entail significant costs in excess of available insurance coverage, which could adversely affect our reputation, business, results of operations and financial condition.

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

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 stores 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 stores 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. Lastly, if we are forced to close any of our newly opened stores, we may not be able to realise our investment cost.

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. 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 organized and unorganized jewellery retailers.

If any of our stores 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.

Our 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.

**16. *If we are unable to anticipate the evolving demand and preferences of our customers in a timely manner, we may lose such customer.***

Our success depends on our ability to identify, adapt to, and meet the evolving preferences of our large customer base, especially in tier 2 and tier 3 cities where agriculture plays a predominant role. In these regions, traditional jewellery holds significant cultural value, especially during weddings and other auspicious functions, which occur frequently throughout the year, particularly in Tamil Nadu. The strong demand in these areas is driven by numerous local festivals and rituals, which provide a consistent source of sales throughout the year.

However, as consumer preferences can fluctuate due to various factors such as changing fashion trends, shifts in disposable income, or the introduction of alternative jewellery options like lab-grown diamonds or other synthetic stones, there remains an inherent risk in our reliance on traditional jewellery. While We have built strong customer loyalty within this demographic, the risk lies in our Company's ability to continue meeting our customers evolving expectations while managing the pressure from global and local competitors offering diverse product ranges.

Although We are well-positioned to cater to this loyal customer base, We must continually innovate and adjust our offerings to stay aligned with their preferences. Any misstep in anticipating or responding to shifting trends, such as a move towards more modern jewellery choices or a change in consumer behavior, could impact our Company's growth. Additionally, regional fluctuations in demand or changes in economic conditions that affect spending patterns may introduce variability in sales.

Nevertheless, our Company's established brand presence and strong ties to local traditions help mitigate these risks. We believe that by continuing to focus on the specific needs of our target market—while maintaining our ability to respond to broader market trends, We can continue to build on our strong position and sustain growth. However, the ability to anticipate and react to these potential shifts in a timely manner will remain crucial to our long-term success.

**17. *We may incur additional cost on marketing and advertising campaigns for increasing the brand awareness of our products and such marketing and advertising campaigns may not be effective compared to our competitors' advertising and promotional programs which could adversely affect our competitive position.***

We currently plan to make sustained investment in social media and mass media channels, such as regular advertisements / commercials and big ticket and high impact media properties, to promote our products, as increasing the awareness of the Thangamayil and various designs and collections under different trademarks is an important part of our strategy to expand our business into new regions and locations in India. However, our marketing and advertising campaigns may not be effective to the extent planned or at all and we may, therefore, fail to attract new customers or retain existing customers. In Fiscals 2024 and 2023 our expenditure towards our advertising, marketing and promotional activities was ₹ 3,645 lakhs and ₹ 3,593 lakhs which and accounted for 0.95% & 1.14% of our revenue from operations in such periods. An important part of our business strategy is to position our brand for millennials through our marketing and advertising campaigns, both on television / print media and social media. In order to achieve the same, we need to continuously innovate and develop our mass media and social media strategies in order to maintain brand appeal with millennials and our other customers. In addition, we may fail to penetrate new target markets if our marketing and advertising programs are unsuccessful or not appropriately tailored to appeal to the target market or if our competitors increases their spending on advertising and promotion or their marketing and advertising campaigns is effective than ours. If our marketing and advertising campaigns are not as effective as our competitors, our ability to increase our brand awareness and our competitive position could be adversely affected, which would have a material adverse effect on our business, results of operations and financial condition. In addition, if we increase our investment in marketing and advertising to remain competitive, our profitability could be adversely affected, which would have a material adverse effect on our financial condition.

**18. *Reliance on celebrities and social media as part of our marketing strategy may adversely affect our business and demand for our services. Further, our online marketing listings or reviews may constitute internet advertisement, which subjects us to laws, rules and regulations applicable to advertising.***

Our marketing strategies include entering into celebrity endorsement agreements and maintaining a presence on social media platforms on whom we rely upon for our marketing and endorsement. The risks of engaging with celebrities include:

- any deterioration in our relationship with our celebrities or damage to the reputation of such celebrities;
- our relationships with celebrities may not always include contractual commitments to continue to be supportive of our brands or products, and there can be no assurance that they will continue to do so;
- any negative publicity created by current celebrities, whom we formerly engaged or who is no longer supportive of our brands;
- celebrities (including their supporters) could engage in behavior damaging the reputation of such celebrities; and
- any drop in celebrities' satisfaction to endorse our products, brand, our platform, or consumer experience.

As social media platforms continue to rapidly evolve and new platforms continue to develop, we must continue to maintain a strong presence on these platforms and stay relevant on new or emerging trends on popular social media platforms. Our target consumers often believe readily available information and any negative commentary could drive large-scale social media campaigns and posts against us, our products or brands, whether motivated or otherwise, and result in consumer boycotts, without further investigation and without regard to accuracy of facts. It is not possible for us to prevent or moderate such behavior, and the precautions we take to detect or restrict this activity may not be effective in all cases. The harm may be immediate and may be long-lasting, without affording us an opportunity for redress or correction. Impersonated or fake e-commerce platforms or websites, and fake social media pages and accounts, fake consumer service calls impersonating themselves as associated with our brand or business or selling our brand of products may lead to fraud and dissatisfied consumers.

Furthermore, as laws, regulations, policies governing digital platforms and public opinion rapidly evolve to govern the use of these platforms, the failure by us, our employees, our network on social media platform to



abide by applicable laws, regulations, policies and guidelines (such as certain guidelines prescribed under the Advertising Standards Council of India (“ASCI”) Code of Self-Regulation (the “ASCI Guidelines”)) in the use of these platforms or in the process of content creation for us or otherwise could subject us to regulatory investigations, liability, fines or other penalties and have an adverse effect on our business, financial condition, cash flows and results of operations. In addition, an increase in the use of social media for product promotion and marketing may cause an increase in the burden on us to monitor compliance of such materials and content. Also, it increases the risk that such materials could contain product restricted by local regulations, or otherwise, or marketing claims in violation of applicable regulations. Pursuant to the internet laws in India, we are required to take steps to moderate the content displayed on our apps and websites, such as reviews and images posted by consumers. These requirements entail considerable resources and time, and could significantly affect the operation of our business, while at the same time also exposing us to increased liability under the relevant laws, rules and regulations. The costs associated with complying with these applicable laws, rules and regulations, including any penalties or fines, could adversely affect our business, financial condition, cash flows and results of operations.

Also, the costs to enter into relationships with celebrities or engage in sponsorship initiatives may also increase over time, which may also negatively impact our margins, cash flows and results of operations. Also if we are unable to cost-effectively use social media platforms as marketing tools or if the platforms we use change their policies or algorithms, we may not be able to fully optimize such platforms, and our ability to maintain and acquire consumers and our financial condition might get impacted.

**19. *Our inability or failure to recognise, respond to and effectively manage the accelerated impact of social media could materially adversely affect our business.***

In recent years, there has been a marked increase in the use of social media platforms in India, including blogs, social media websites and applications, and other forms of Internet-based communications which allow individuals access to a broad audience of consumers and other interested persons. Many social media platforms immediately publish the content for their subscribers and participants post, often without filters or checks on accuracy of the content posted. The dissemination of inaccurate information online could harm our business, reputation, prospects, financial condition and operating results, regardless of the information’s accuracy. The damage may be immediate without affording us an opportunity for redress or correction. Other risks associated with the use of social media include improper disclosure of proprietary information, negative comments about our brands, exposure of personally identifiable information, fraud, hoaxes or malicious exposure of false information. The inappropriate use of social media by our customers or employees or suppliers or other third parties could increase our costs, lead to litigation or result in negative publicity that could damage our reputation and adversely affect our business, results of operations and financial condition.

**20. *We face intense competition which may lead to a reduction in our market share and may cause us to increase our expenditure on marketing and promotion as well as cause us to offer discounts, which may result in an adverse effect on our business and a decline in our profitability.***

We face intense competition from a number of competitors, some of which are larger and have substantially greater resources than us, including the ability to spend more on advertising and marketing and offer substantial discounts. We also face competition from new entrants and the e-commerce channel that may have more flexibility in responding to changing business and economic conditions than us. In addition, our competitors may introduce new products faster and more efficiently, and new products or evolving sales channels may increase competitive pressures by enabling competitors to offer more efficient or lower-cost products. If we are unable to change our offerings in ways that reflect the changing demands of offline and online buyers and marketplaces or compete effectively with and adapt to such changes, our business, results of operations and cash flows could be adversely affected.

Some of our competitors have competitive advantages such as longer operating histories, more experience in implementing their business plan and strategy, better brand recognition, popular offline locations, greater negotiating leverage, and established supply relationships. In addition, the markets in which we compete have attracted significant investments from a wide range of funding sources, and our competitors could be better capitalized, which could allow them to increase the incentives, discounts and promotions they offer.

Competition in our industry is based on brand recognition, quality, design, preferences of the customers, perceived value and pricing of products, distribution reach, promotional activities, advertising and other activities. It is difficult for us to predict the timing and scale of our competitors’ actions in these areas. We

expect competition to continue to be intense as our competitors expand their operations and introduce new products. Failure by us to compete effectively may have an adverse effect on our business and profitability.

- 21. *We are subject to payment-related risks, including risks associated with payment processing risks. Further, 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.***

We accept payments using a variety of methods, including credit and debit cards, digital wallets and cash. We are subject to the risk of fraudulent activity associated with cash in hand, such as payment of purchases with counterfeit currency. For certain payment methods, including credit and debit cards, we pay bank interchange and other fees, although we may receive cashback on certain transactions. These fees may increase over time, which would increase our operating costs and may disrupt our sales and business operations.

We are required to comply with payment card network operating rules, which are set and interpreted by the payment card networks for the third-party payment processors. The payment card networks could adopt new operating rules or interpret or re-interpret existing rules, as revised by regulatory bodies such as the Reserve Bank of India (“**RBI**”) from time to time, in ways that might prohibit us from providing certain services to some consumers, be costly to implement, or difficult to follow. Failure to comply with such rules may render us liable for fines, indemnities or higher transaction fees, or result in us losing our ability to accept credit and debit card payments or other types of online payments. Occurrences of such events could adversely affect our business, financial condition, cash flows and results of operations.

The use of electronic payment methods at our branches exposes us to an increased risk of privacy and security breaches as well as other risks. If a person is able to circumvent our security measures or otherwise gain access to the confidential information of our customers, 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 business.

Moreover, we receive and process certain personal financial and other information about our customers when we accept payment. While we do not store customers’ credit and debit card payment information, the use and handling of this information are 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 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.

- 22. *Inability to maintain adequate internal controls may affect our ability to effectively manage our operations, resulting in errors or information lapses.***

As we continue to expand, our success depends on our ability to effectively utilize our resources and maintain internal controls. Our internal audit functions make an evaluation of the adequacy and effectiveness of internal systems on an ongoing basis so that our operations adhere to our policies, compliance requirements and internal guidelines. We periodically test and update our internal processes and systems and 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 ensure effective internal checks and balances in all circumstances. We may need to modify and improve our financial and management control processes, reporting systems and procedures and other internal controls and compliance procedures to meet our evolving business needs. If we are unable to improve our controls, systems and procedures, they may become ineffective and adversely affect our ability to manage our operations resulting in errors or information lapses that affect our business. Our efforts in improving our internal control systems may not result in eliminating all risks. If we are not

successful in discovering and eliminating weaknesses in our internal controls, our ability to manage our business effectively may materially and adversely be affected.

We are also subject to anti-corruption laws and regulations, which generally prohibit us and our employees from bribing, being bribed or making other prohibited payments to obtain or retain business or gain some other business advantage. If we are not in compliance with applicable anti-corruption laws, we may be subject to criminal and civil penalties, disgorgement and other sanctions and remedial measures, and legal expenses, which could have an adverse impact on our business, financial condition, results of operations and liquidity. Likewise, any investigation of any potential violations of anticorruption laws by the relevant authorities could also have an adverse impact on our business and reputation.

**23. *Our business depends, in part, on factors affecting consumer spending that are out of our control. Further, 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.***

Jewellery purchases are discretionary and are often perceived to be a luxury purchase. Our business is sensitive to a number of factors that influence consumer spending. Other factors include general economic conditions, consumer confidence in future economic conditions and political conditions, recession and fears of recession, consumer debt, disposable consumer income, conditions in the housing market, consumer perceptions of personal well-being and security, fuel prices, inclement weather, interest rates, sales tax rate increases, inflation, and war and fears of war. In particular, an economic downturn may lead to decreased discretionary spending, which can adversely impact the luxury retail operations and lead to declining income and losses for our business, resulting in a continued reduction in our sales and further harming our business and results of operation.

Further, 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. 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.

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

Our business operations involve significant retail sales in cash and we maintain large amounts of inventory at our warehouse, with our craftsmen and at our stores operated by our Company at all times. While we undertook the necessary investigations and actions, we cannot assure that such incidences may not occur in the future. The jewellery industry also typically encounters some inventory loss on account of employee theft, shoplifting, vendor fraud, credit card fraud and general administrative error. We have set up various security measures, including tagging our products, CCTV in our warehouse and our company owned and operated stores, armed security guards and follow stringent operational processes such as daily stock taking and we have not experienced such incidents in the past. 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 there can be no assurance that we will be able to recover from our insurer the full amount of any such loss in a timely manner, or at all. If we incur a significant inventory loss due to third-party or employee theft and if such loss exceeds the limits of, or is subject to an exclusion from, coverage under our insurance policies, it could have a material adverse effect on our business, results of operations and financial condition. In addition, if we file claims under an insurance policy it could lead to increase in the insurance premiums payable by us or the termination of coverage under the relevant policy.

Additionally, theft of our customer data may also adversely affect our results of operations and financial condition.

**25. *Our insurance coverage could prove inadequate to satisfy potential claims or protect us from potential operational hazards and losses which may have a material adverse effect on our business, results of operations and financial condition.***

Our operations are subject to various risks inherent to the gold industry including defects, theft, fire, riots, strikes, explosions, loss-in-transit for our products, accidents and natural disasters. We have obtained insurance policies that we believe are customary in our industry and provide for commercially appropriate insurance coverage for a variety of risks. There have been no claim in the past two financial years ended March 31, 2024 and March 31, 2023 and the six months period ended September 30, 2024 for an amount exceeding ₹ 10 lakhs in aggregate during each of such period and is not material to the total revenue from operations.

However, there can be no assurance that our current insurance policies will insure us fully against all risks and losses that may arise in the future. Further, there can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time. In cases where certain loss or damages are not covered under our insurance policies, or even if such losses are insured, we are required to pay a significant deductible on any claim for recovery of such a loss, or the amount of the loss may exceed our coverage for the loss or the premium charged is significantly increased, our results of operations and cash flows could be adversely affected. In addition, our insurance policies are subject to annual review, and we cannot assure you that we will be able to renew these policies on similar or otherwise acceptable terms, or at all. If we were to incur a serious uninsured loss or a loss that significantly exceeds the limits of our insurance policies, it could have a material adverse effect on our financial condition, results of operations and cash flows.

**26. *We may be unable to sufficiently obtain, maintain, protect, or enforce our intellectual property and other proprietary rights.***

We own our corporate logo, word mark and trademark “Thangamayil”, used as a prefix in the name of our Company. Our trademark “Thangamayil” (“Trademark”), which is used as a prefix in the name of our Company, is registered in the name of our Company under Class 14 of the Trade Marks Act, 1999. Further, our Company has also obtained and may apply from time to time for various trademark registrations for the designs and collections launched by our Company in the normal course of business.

With respect to our trademarks that have been applied for and/or are under objection or opposed, we cannot assure you that we will be successful in removing the objections or contend the opposition. As a result, we may not be able to prevent infringement of our trademarks and a passing off action may not provide sufficient protection until such time that this registration is granted. We cannot guarantee that any of our registered or unregistered intellectual property rights or our know-how, or claims thereto, will now or in the future successfully protect what we consider to be the intellectual property underlying our products and business, or that our rights will not be opposed or otherwise challenged.

While we endeavour to ensure that we comply with the intellectual property rights, there can be no assurance that we will not face any intellectual property infringement claims brought by third parties. Any claims of infringement, regardless of merit or resolution of such claims, could force us to incur significant costs in responding to, defending and resolving such claims and may divert the efforts and attention of our management away from our business. We could be required to change the name of our Company which carry the prefix “Thangamayil”, pay third party infringement claims or obtain fresh licenses resulting from a name change. The occurrence of any of the foregoing could result in unexpected expenses.

**27. *Out of the 59 showrooms operated by our Company, 51 showrooms are operated through properties taken on lease. Further, our corporate office, purchase office and manufacturing facilities is also taken on lease. If we are unable to renew existing leases or relocate our operations on commercially reasonable terms on termination of the leas, there may be an adverse effect on our operations, business and financial condition.***

Our Corporate Office and 51 showrooms out of the total 59 showrooms are operated through leased premises. The leases for these premises require periodic renewal and are subject to periodic escalation of lease payments. In the event of any such termination we may be required to either re-negotiate terms or shift our operations to alternate locations on expiry of lease period. While there have not been any instances of

unilateral termination of lease agreements in the past three, there can be no assurance that such lease agreements will not be terminated unilaterally in future. If we are unable to renew certain or all of these leases on commercially reasonable terms, we may suffer a disruption in our retail operations or be unable to continue to operate from those locations in the future. Consequently, we may have to incur additional costs in relocating our operations elsewhere and related advertising.

**28. *We are dependent on our Directors, Key Managerial Personnel and Senior Management. Any loss of, or our inability to attract or retain, such persons could adversely affect our business, results of operations and financial condition.***

The experience of our Promoters and Senior Management has been critical to our success and business growth. As a result, any loss of the services of any of our Promoters or Senior Management could materially and adversely affect our business, financial condition and results of operations. The replacement of Senior Management may not be straightforward or achievable in a timely manner, and we may be required to wait indefinitely to fill positions until we find suitable candidates. Furthermore, attracting and retaining experienced and qualified Senior Management could require increasing compensation and benefits payable to such personnel, which could affect our operational costs and accordingly, our financial condition and results of operations.

In the jewellery industry, the level and quality of sales personnel and customer service are key competitive factors and an inability to recruit, train and retain suitably qualified and skilled sales personnel who maintain consistency in our standards of customer service and overall operations could adversely impact our reputation, business prospects and results of operations.

There can be no assurance that attrition rates for our employees, including our management and 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.

**29. *We are heavily dependent on third parties for supplying our products. We may be unable to maintain or establish formal arrangements with such third parties, and any disruptions at such third-party production or manufacturing facilities and their supply chains arrangements, 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 do not have specific written agreements with such suppliers of finished goods and raw materials and job-workers and accordingly, they are not contractually bound to deal with us exclusively, and we may face the risk of our competitors offering better terms, which may cause them to prefer our competitors over us.

Any unscheduled, unplanned or prolonged disruption of operations at our suppliers' and 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 suppliers 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 supplier and job-workers to deliver the products in a timely manner or to meet our quality standards, or any litigation involving these suppliers and job-workers may have a material adverse effect on our business, profitability, and reputation. Our operations could be disrupted if we do not successfully manage relationships with our supplier and job-workers, 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 suppliers and job-workers do not perform their contractual obligations, it could adversely affect our reputation, business, financial condition and results of operations.

Any negative publicity about the quality of our jewellery can adversely affect our reputation, business and results of operations. We undertake a number of quality control procedures to ensure We are selling only

quality jewellery to our customers like having all of our jewellery Bureau of Indian Standards (“BIS”) hallmarked and conducting sample tests on each new batch of products We receive from our contract manufacturers and exercising control over the entire manufacturing process. However, there is no assurance that our quality control measures will be effective. 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.

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

We rely on our information technology (“IT”), systems to provide us with connectivity across our business functions and showrooms through our software, hardware and network systems. Any failure in our IT systems or loss of connectivity or any loss of data arising from such failure could disrupt our ability to track, record and analyze inventory, process financial information, manage creditors/debtors or engage in normal business activities, which could have a material adverse effect on our operations. Although We have not experienced any material failure in our IT systems, there can be no assurance that our IT systems will not suffer a material failure in the future.

We are also susceptible to potential hacking or other breaches of our IT systems. Although We have anti-virus and anti-hacking measures in place, we cannot assure you that we can successfully block and prevent all hacking or other breaches. As a result, failure to protect against technological disruptions of our operations could materially and adversely affect our business, financial condition and results of operations. We also maintain significant amounts of customer data that We collect in order to promote our brand and direct targeted advertisements to potential customers. Any breach of our IT systems or misuse by employees could result in the loss or disclosure of confidential information, damage to our reputation, litigation or other liabilities.

**31. *We have in the Draft Letter of Offer included certain non-GAAP financial and operational measures and certain other industry measures related to our operations and financial performance that may vary from any standard methodology. We rely on certain assumptions and estimates to calculate such measures, therefore such measures may not be comparable with financial, operational or industry related statistical information of similar nomenclature computed and presented by other similar companies.***

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance, which are EBITDA, EBITDA Margin, Net Worth, Return on net worth, Net Asset Value per Equity Share, Cost of Goods Sold, Cost of Goods Sold as a percentage of revenue from operations and Operating Cashflow to EBITDA, have been included in the Draft Letter of Offer. These are supplemental measures of our performance and liquidity that are 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 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. We compute and disclose such non-GAAP financial measures and such other 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 similar companies, many of which provide such non-GAAP financial measures and other statistical and operational information when reporting their financial results. 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. Accordingly, these non-GAAP financial measures and other statistical and other information relating to our operations and financial performance may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other manufacturing companies.

**32. *After the completion of the Issue, our Promoters along with the Promoter Group will continue to collectively hold substantial shareholding in our Company.***

As on September 30, 2024, our Promoters and members of the Promoter Group hold 61.27% of the paid-up share capital of our Company. For details of their shareholding pre and post Issue, see “Capital Structure” on page 51. After the completion of the Issue, assuming exercise of rights entitlement by all the shareholders of the Company, our Promoters along with the Promoter Group will continue to collectively hold same holding

in our Company, i.e. 61.27%. In view of the same, our Promoters will continue to exercise similar 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, as is exercised today. This concentration of ownership also may delay, defer or even prevent a change in control of our Company and may make some transactions more difficult or impossible without the support of these shareholders. The interests of the Promoters as our controlling shareholder could conflict with our interests or the interests of its other shareholders. We cannot assure you that our Promoters will act to resolve any conflicts of interest in our favour and any such conflict may adversely affect our ability to execute our business strategy or to operate our business.

**33. *Our ability to pay dividends in the future will depend on our future cash flows, working capital requirements, capital expenditures and financial condition.***

The amount of our future dividend payments, if any, will depend on various factors such as our future earnings, cash flows, financial condition, working capital requirements, capital expenditures and in accordance with applicable laws. We may decide to retain all of our earnings to finance the development and expansion of our businesses and, therefore, may not declare dividends on the Equity Shares. Additionally, in the future, we may be restricted by the terms of our financing agreements in making dividend payments unless otherwise agreed with our lenders. The amounts paid as dividends in the past are not necessarily indicative of our Company's dividend decisions in future or the dividend amounts, if any, in the future. There is no guarantee that any dividends will be declared or paid or that the amount thereof will not be decreased in the future.

**34. *Significant differences exist between Ind AS and other accounting principles, such as IFRS and U.S. GAAP, which may be material to investors' assessment of our financial condition.***

The financial statements included in the Draft Letter of Offer have been prepared in accordance with Ind AS, as applicable, in the relevant period of reporting. We have not attempted to quantify the impact of U.S. GAAP or IFRS on the financial data included in the Draft Letter of Offer, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. U.S. GAAP and IFRS differ in significant respects from Ind AS. Accordingly, the degree to which the Ind AS financial statements are included in the Draft Letter of Offer, will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in the Draft Letter of Offer should be limited accordingly.

## **EXTERNAL RISK FACTORS**

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

The Indian economy and capital markets are influenced by economic, political and market conditions in India and globally. We are incorporated in India, and almost all of our business and all of our personnel are located in India. Consequently, our business, cash flows and results of operations will be affected by a number of macroeconomic and demographic factors in India which are beyond our control. In particular, our total income and profitability are strongly correlated to consumer discretionary spending in India, which is influenced by general economic conditions, salaries and employment levels and consumer confidence. Recessionary economic cycles, a protracted economic slowdown, a worsening economy, increased unemployment, increased energy prices, rising interest rates or other industry-wide cost pressures could lead to a decline in our total income and profitability.

While our results may not necessarily track India's economic growth figures, the Indian economy's performance affects the environment in which we operate. These factors could have an adverse effect on our business, financial condition, cash flows and results of operations.

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

**36. *Changing laws, rules and regulations and legal uncertainties, including any adverse application of corporate and tax laws, may adversely affect our business, cash flows, prospects and results of operations.***

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect our business, cash flows, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy.

For instance, GoI has notified the Finance Act, 2021 (“**Finance Act**”), which introduced various amendments to the taxation laws in India. Under the Finance Act, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures, on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. Further, the GoI has announced the Union Budget for the Financial Year 2023 pursuant to which the Finance Act of 2022 has introduced various amendments. Unfavorable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals.

Further, the GoI introduced new laws relating to social security, occupational safety, industrial relations and wages namely, the Code on Social Security, 2020 (“**Social Security Code**”), the Occupational Safety, Health and Working Conditions Code, 2020, the Industrial Relations Code, 2020 and the Code on Wages, 2019, which consolidate, subsume and replace numerous existing central labor legislations, were to take effect from April 1, 2021 (collectively, the “**Labour Codes**”). The GoI has deferred the effective date of implementation of the respective Labour Codes, and they shall come into force from such dates as may be notified. Different dates may also be appointed for the coming into force of different provisions of the Labour Codes. While the rules for implementation under these codes have not been finalized, as an immediate consequence, the coming into force of these codes could increase the financial burden on our Company, which may adversely impact our profitability. For instance, 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.

Additionally, the Ministry of Electronics and Information Technology has brought about a ‘new regime’ on data protection in India by notifying Digital Personal Data Protection Act, 2023 (“**DPDP Act**”) on August 11, 2023. The DPDP Act, amongst other obligations, prescribes format for obtaining consent and giving notice for processing of personal data, along with certain legitimate uses for which personal data can be processed. The notification for its implementation is awaited and its rules are yet to be notified.

Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, cash flows, results of operations and prospects. Uncertainty in the application, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our businesses in the future.

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

India’s sovereign debt rating could be downgraded due to several factors, including changes in tax or fiscal policy or a decline in India’s foreign exchange reserves, all which are outside the control of our Company. Our borrowing costs and our access to the debt capital markets depend significantly on the sovereign credit ratings of India. Any adverse revisions to India’s credit ratings for domestic and overseas debt by international rating agencies may adversely impact our ability to raise additional external financing, and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect



on our business and future financial performance, our ability to obtain financing for capital expenditures and the trading price of the Equity Shares.

**38. *In the past, there have been changes in Indian law related to foreign investments in India. Any such changes or restrictions on foreign investors may adversely affect the trading price of Equity Shares.***

Foreign investment in Indian securities is subject to regulation by Indian regulatory authorities including FEMA. Under foreign exchange regulations which are currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to compliance with sectoral norms and certain other restrictions) provided they comply with the pricing guidelines and reporting requirements specified under applicable law. Further, unless specifically restricted, foreign investment is freely permitted in majority of the sectors up to any extent and without any prior approval of Government of India, but the foreign investor is required to follow certain prescribed procedures for making such investment. Under the Consolidated FDI Policy, 100% foreign direct investment is permitted in a company engaged in manufacturing, under the automatic route, subject to certain conditions specified thereunder.

Further, in accordance with the provisions of the FEMA and the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 as amended from time to time, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares a land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government of India. We cannot assure investors from such jurisdictions that any required approval from the RBI or any other governmental agency can be obtained on any particular terms and conditions or at all. For further information, see “Restrictions on Foreign Ownership of Indian Securities” on page 124. Our ability to raise any foreign capital under the FDI route is therefore constrained by Indian law, which may adversely affect our business, cash flows and financial condition.

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

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

Furthermore, economic developments globally can have a significant impact on India. In particular, the global economy has been negatively impacted by the conflict between Russia and Ukraine. Governments in the United States, United Kingdom, and European Union have imposed sanctions on certain products, industry sectors, and parties in Russia. The conflict could negatively impact regional and global financial markets and economic conditions, and result in global economic uncertainty and increased costs of various commodities, raw materials, energy and transportation. In addition, recent increases in inflation and interest rates globally, including in India, could adversely affect the Indian economy.

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. These factors may also result in a slowdown in India’s export growth. Any significant financial disruption could have an adverse effect on our business, financial condition, cash flows and results of operation.

**40. *If inflation rises in India, increased costs may result in a decline in profits and result of operations may be adversely affected.***

Inflation rates in India have been volatile in recent years, and such volatility may continue. Increasing inflation in India could cause a rise in the costs of third party suppliers and contract manufacturers, rents, wages, raw materials and other expenses. In recent years, India has experienced consistently high inflation, especially and increasingly so in recent months, which has increased the price of, among other things, our rent, raw materials and wages. Further, while the Government of India has previously initiated economic measures to combat high inflation rates, it is unclear whether these measures will remain in effect, and there can be no assurance that Indian inflation levels will not worsen and rise in the future. If we are unable to increase our revenues sufficiently to offset our increased costs due to inflation, it could have an adverse effect on our business, prospects, financial condition, results of operations and cash flows.

**41. *Investors may be subject to Indian taxes arising out of income arising on the sale of and dividend on the Equity Shares.***

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

Further, any capital gains realized on the sale of listed equity shares held for a period of 12 months or less immediately preceding the date of transfer will be subject to short term capital gains tax in India. Further, withholding tax may be applicable on sale of shares by Non- Resident / FII under section 115E and 115AD of the Income Tax Act, 1961.

No dividend distribution tax is required to be paid in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020 and, accordingly, such dividends would not be exempt in the hands of the Shareholders both for residents as well as non-residents. Our Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident Shareholder for the purposes of deducting tax at source pursuant to any corporate action, including dividends.

There is no certainty on the impact of Indian tax laws or other regulations, and which may adversely affect the Company’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.

**42. *Investors may have difficulty enforcing foreign judgments against us or our management.***

The Company is a limited liability company incorporated under the laws of India. The majority of our directors and executive officers are residents of India. All of our assets and the assets of our Directors are located in India. As a result, it may be difficult for foreign investors to effect service of process upon us or directors to enforce judgments obtained outside India.

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

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

However, the party in whose favor such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in the United States. The suit must be brought in

India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India.

Further, there may be considerable delays in the disposal of suits by Indian courts. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India. Furthermore, it is unlikely that an Indian court would enforce a foreign judgment if that court were of the view that the amount of damages awarded was excessive or inconsistent with public policy or Indian law. It is uncertain as to whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. However, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI under the FEMA to execute such a judgment or to repatriate any amount recovered.

**43.  *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 having share capital and 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 laws 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.

**44.  *Any future issuance of Equity Shares or convertible securities or other equity linked securities by us may dilute your shareholding and sales of the Equity Shares by our major shareholders may adversely affect the trading price of the Equity Shares.***

We may be required to finance our growth through future equity offerings. Any future issuance of our Equity Shares, convertible securities or securities linked to our Equity Shares by us, including through exercise of employee stock options may dilute your shareholding in us. Any future equity issuances by us, including a primary offering, may lead to the dilution of investors' shareholdings in us. Any disposal of Equity Shares by our major shareholders or the perception that such issuance or sales may occur, including to comply with the minimum public shareholding norms applicable to listed companies in India 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 the Equity Shares or incurring additional debt. We cannot assure you that we will not issue further Equity Shares or that the shareholders will not dispose of, pledge or encumber the Equity Shares in the future. Any future issuances could also dilute the value of your investment in the Equity Shares. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of the Equity Shares.

**45.  *A third party could be prevented from acquiring control of our Company because of anti-takeover provisions under Indian law.***

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of the Company, even if a change in control would result in the purchase of your Equity Shares at a premium to the market price or would otherwise be beneficial to you. Such provisions may discourage or prevent certain types of transactions involving actual or threatened 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 shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. 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 its stakeholders, it is possible that such a takeover would not be attempted or consummated because of the SEBI SAST Regulations.

**46. *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 widespread as shareholders' rights under the laws of other countries or jurisdictions. Investors may face challenges in asserting their rights as shareholder in an Indian company than as shareholders of an entity in another jurisdiction.

**RISK RELATING TO THE ISSUE**

**47. *Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of Investor's shareholding.***

The Rights Entitlements that are not exercised prior to the end of the Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in Our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of Our Company that may be caused as a result of the Rights Issue. Renounees may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renounees prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation, such Renounee will not be able to apply in this Rights Issue with respect to such Rights Entitlements.

**48. *There is no guarantee that the Rights Equity Shares issued pursuant to this Rights Issue will be listed on the Stock Exchange in a timely manner.***

In accordance with Indian law and regulations and the requirements of the Stock Exchange, in principle and final approvals for listing and trading of the Rights Equity Shares issued pursuant to this Rights Issue will not be applied for or granted until after the Rights Equity Shares have been issued and Allotted. Approval for listing and trading will require all relevant documents authorising the issuing of Rights Equity Shares to be submitted. Accordingly, there could be a failure or delay in listing the Rights Equity Shares on the Stock Exchanges. If there is a delay in obtaining such approvals, We may not be able to credit the Rights Equity Shares Allotted to the Investors to their depository participant accounts or assure ownership of such Rights Equity Shares by the Investors in any manner promptly after the Closing Date. In any such event, the ownership of the Investors over Rights Equity Shares Allotted to them and their ability to dispose of any such Equity Shares may be restricted. For further information on Issue procedure, please refer "*Terms of the Issue*" on page 97.

**49. *The Rights Entitlement of Eligible Equity Shareholders holding Equity Shares in physical form may lapse in case they fail to furnish the details of their demat account to the Registrar.***

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI ICDR Master Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form.

Our Company has opened a separate demat suspense escrow account (namely, "LIPL Thangamayil 2025 Escrow Demat Account") ("**Demat Suspense Account**") and would credit Rights Entitlements on the basis of the Equity Shares: (a) held by Eligible Equity Shareholders which are held in physical form as on Record Date; or (b) which are held in the account of the Investor Education and Protection Fund ("**IEPF**") authority; or which of the Eligible Equity Shareholder whose demat accounts are frozen or where the Equity Shares are lying in the unclaimed / suspense escrow account / demat suspense account (including those pursuant to Regulation 39 of the SEBI LODR Regulations) or details of which are unavailable with our Company or with the Registrar on the Record Date or where Equity Shares have been kept in abeyance or where entitlement certificate has been issued or where instruction has been issued for stopping issue or transfer or where letter of confirmation lying in escrow account; or (d) where credit of the Rights Entitlements have returned / reversed / failed for any reason; or (e) where ownership is currently under dispute, including any court or

regulatory proceedings or where legal notices have been issued, if any or (f) such other cases where our Company is unable to credit Rights Entitlements for any other reasons.

Our Company shall credit the Rights Entitlements to the Demat Suspense Account on the basis of information available with our Company and to serve the interest of relevant Eligible Equity Shareholders to provide them with a reasonable opportunity to participate in the Issue. The credit of the Rights Entitlements to the Demat Suspense Account by our Company does not create any right in favour of the relevant Eligible Equity Shareholders for transfer of Rights Entitlement to their demat account or to receive any Equity Shares in the Issue.

With respect to the Rights Entitlements credited to the Demat Suspense Account, the Eligible Equity Shareholders are required to provide relevant details / documents as acceptable to our Company or the Registrar (such as applicable regulatory approvals, self-attested PAN and client master sheet of demat account, details / records confirming the legal and beneficial ownership of their respective Equity Shares, etc.) to our Company or the Registrar no later than two clear Working Days prior to the Issue Closing Date to enable credit of their Rights Entitlements by way of transfer from the Demat Suspense Account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. In the event that the Eligible Equity Shareholders are not able to provide relevant details to our Company or the Registrar by the end of two clear Working Days prior to the Issue Closing Date, Rights Entitlements credited to the Demat Suspense Account shall lapse and extinguish in due course and such Eligible Equity Shareholder shall not have any claim against our Company and our Company shall not be liable to any such Eligible Equity Shareholder in any form or manner and such lapsing of Rights Entitlement may dilute and adverse impact the interest of certain Eligible Equity Shareholders. For details, please see “*Terms of the Issue*” on page 97.

**50. *The Eligible Equity Shareholders holding Equity Shares in physical form will have no voting rights in respect of Rights Equity Shares until they provide details of their demat account and Rights Equity Shares are transferred to such demat account from the demat suspense account thereafter.***

In accordance with the SEBI ICDR Master Circular, the credit of Rights Entitlement and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, the Rights Entitlements of the Physical Shareholders shall be credited in a suspense escrow demat account opened by our Company during the Issue Period. The Physical Shareholders are requested to furnish the details of their demat account to the Registrar no later than two clear Working Days prior to the Issue Closing Date to enable the credit of their Rights Entitlements in their demat accounts at least one day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar no later than two clear Working Days prior to the Issue Closing Date, shall lapse. Further, pursuant to a press release dated December 03, 2018 issued by the SEBI, with effect from April 1, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialized form (except in case of transmission or transposition of Equity Shares). For further information, see “*Terms of the Issue*” on page 97.

**51. *Applicants to this Issue are not allowed to withdraw their Applications after the Issue Closing Date.***

In terms of the SEBI ICDR Regulations, Applicants in this Issue are not allowed to withdraw their Applications after the Issue Closing Date. The Allotment in this Issue and the credit of such Rights Equity Shares to the Applicant’s demat account with its depository participant shall be completed within such period as prescribed under the applicable laws. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operations or financial condition, or other events affecting the Applicant’s decision to invest in the Rights Equity Shares, would not arise between the Issue Closing Date and the date of Allotment in this Issue. Occurrence of any such events after the Issue Closing Date could also impact the market price of our Equity Shares. The Applicants shall not have the right to withdraw their applications in the event of any such occurrence. We cannot assure you that the market price of our Equity Shares will not decline below the Issue Price. To the extent the market price for our Equity Shares declines below the Issue Price after the Issue Closing Date, the shareholder will be required to purchase Rights Equity Shares at a price that will be higher than the actual market price for the Equity Shares at that time. Should that occur, the shareholder will suffer an immediate unrealized loss as a result. We may complete the Allotment even if such events may limit the Applicants’ ability to sell our Equity Shares after this Issue or cause the trading price of our Equity Shares to decline.

**52. *Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of shareholding.***

Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue. Renouncees may not be able to apply in case of failure of completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees prior to the Issue Closing Date. Further in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation, such Renouncee will not be able to apply in this Issue with respect to such Rights Entitlements. For details, see “*Terms of the Issue*” on page 97.

**53. *Our Company will not distribute the Letter of Offer and other Issue related materials to overseas shareholders who have not provided an address in India for service of documents.***

Pursuant to the requirements of the SEBI ICDR Regulations and other applicable laws, the Rights Entitlements will be credited to the demat account of the Eligible Equity Shareholders who are Equity Shareholders as on the Record Date, however, the Issue Materials will be sent / dispatched only to such Eligible Equity Shareholders who have provided an Indian address to our Company and only such Eligible Equity Shareholders are permitted to participate in the Issue. The Equity Shareholders who have not provided an Indian address to our Company will not be eligible to participate in the Issue and accordingly, their shareholding as a percentage of the paid up capital of our Company post Issue will stand reduced to the extent of non-participation.

Further, in the case that Eligible Equity Shareholders who have provided an Indian address and have also provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in the case that such Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

However, the Companies Act, 2013 requires companies to serve documents at any address which may be provided by the members as well as through e-mail. Presently, there is lack of clarity under the Companies Act, 2013 and the rules thereunder with respect to distribution of Issue Material in overseas jurisdictions where such distribution may be prohibited under the applicable laws of such jurisdiction. While our Company has requested its shareholders to provide an address in India for the purposes of distribution of Issue Material, our Company cannot assure that the regulator would not adopt a different view with respect to compliance with the Companies Act, 2013 and may subject our Company to fines or penalties.

**54. *Overseas shareholders may not be able to participate in our Company’s future rights offerings or certain other equity issues.***

If our Company offers or causes to be offered to holders of its Equity Shares rights to subscribe for additional Equity Shares or any right of any other nature, our Company will have discretion as to the procedure to be followed in making such rights available to overseas holders of the Equity Shares or in disposing of such rights for the benefit of such holders and making the net proceeds available to such holders. For instance, our Company may not offer such rights to the holders of Equity Shares who have a registered address in the United States unless: (i) a registration statement is in effect, if a registration statement under the U.S. Securities Act is required in order for our Company to offer such rights to holders and sell the securities represented by such rights; or (ii) the offering and sale of such rights or the underlying securities to such holders are exempt from registration under the provisions of the U.S. Securities Act. Our Company has no obligation to prepare or file any registration statement. Accordingly, shareholders who have a registered address in the United States may be unable to participate in future rights offerings and may experience a dilution in their holdings as a result.

**55. *No market for the Rights Entitlements may develop and the price of the Rights Entitlements may be volatile.***

No assurance can be given that an active trading market for the Rights Entitlements will develop on the Stock Exchanges during the Renunciation Period or that there will be sufficient liquidity in Rights Entitlements trading during this period. The trading price of the Rights Entitlements will not only depend on supply and

demand for the Rights Entitlements, which may be affected by factors unrelated to the trading in the Equity Shares, but also on the quoted price of the Equity Shares, amongst others. Factors affecting the volatility of the price of the Equity Shares, as described herein, may magnify the volatility of the trading price of the Rights Entitlements, and a decline in the price of the Equity Shares will have an adverse impact on the trading price of the Rights Entitlements. Since the trading of the Rights Equity Shares will be on a separate segment compared to the Equity Shares on the floor of the Stock Exchanges, the trading of Rights Equity Shares may not track the trading of Equity Shares.

***56. No market for the Rights Entitlements may develop and the price of the Rights Entitlements may be volatile.***

No assurance can be given that an active trading market for the Rights Entitlements will develop on the Stock Exchanges during the Renunciation Period or that there will be sufficient liquidity in Rights Entitlements trading during this period. The trading price of the Rights Entitlements will not only depend on supply and demand for the Rights Entitlements, which may be affected by factors unrelated to the trading in the Equity Shares, but also on the quoted price of the Equity Shares, amongst others. Factors affecting the volatility of the price of the Equity Shares, as described herein, may magnify the volatility of the trading price of the Rights Entitlements, and a decline in the price of the Equity Shares will have an adverse impact on the trading price of the Rights Entitlements. Since the trading of the Rights Equity Shares will be on a separate segment compared to the Equity Shares on the floor of the Stock Exchanges, the trading of Rights Equity Shares may not track the trading of Equity Shares.

***57. The Rights Equity Shares may experience price and volume fluctuations.***

The market price of the Rights Equity Shares can be volatile as a result of several factors beyond our control, including volatility in the Indian and global securities markets, our results of operations, the performance of our competitors, developments in the Indian finance and lending sector, changing perceptions in the market about investments in this sector in India, investor perceptions of our future performance, adverse media reports about us or our sector, changes in the estimates of our performance or recommendations by financial analysts, significant developments in India's economic liberalization and deregulation policies, and significant developments in India's fiscal regulations. In addition, the stock exchanges may experience significant price and volume fluctuations, which may have a material adverse effect on the market price of the Rights Equity Shares.

General or industry specific market conditions or stock performance or domestic or international macroeconomic and geopolitical factors unrelated to our performance also affect the price of the Rights Equity Shares. In particular, the stock market as a whole recently experienced extreme price and volume fluctuations that have affected the market price of many companies in ways that may have been unrelated to the companies' operating performances. For these reasons, investors should not rely on recent trends to predict future share prices, results of operations or cash flow and financial condition.

***58. Any future issuance of Equity Shares by our Company or sales of our Equity Shares by any of our Company's significant shareholders may adversely affect the trading price of our Equity Shares.***

Any future issuance of Equity Shares by us could dilute your shareholding. Any such future issuance of our Equity Shares or sales of our Equity Shares by any of our significant shareholders may also adversely affect the trading price of our Equity Shares, and could impact our ability to raise capital through an offering of our securities. We cannot assure you that we will not issue further equity shares or that the shareholders will not dispose of, pledge, or otherwise encumber their equity shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares.

## THE ISSUE

The Issue has been authorized by way of resolution passed by our Board on September 26, 2024, pursuant to Section 62(1)(a) and other applicable provisions of the Companies Act, 2013. The terms and conditions of the Issue including the Rights Entitlement, Issue Price, Record Date, timing of the Issue and other related matters, have been approved by a resolution passed by our [●] at its meeting held on [●].

The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information in the section entitled “Terms of the Issue” on page 97.

<b>Rights Equity Shares being offered by our Company</b>	Up to [●] * Rights Equity Shares
<b>Rights Entitlement for the Rights Equity Shares</b>	[●] Rights Equity Share for every [●] Equity Shares held on the Record Date
<b>Record Date</b>	[●]
<b>Face Value per Equity Share</b>	₹ 10 each
<b>Issue Price per Rights Equity Share</b>	₹ [●] each
<b>Dividend</b>	Such dividend, as may be recommended by our Board and declared by our Shareholders, in accordance with applicable law
<b>Issue Size</b>	Up to ₹ 51,000.00 lakhs*
<b>Equity Shares issued, subscribed and paid-up prior to the Issue</b>	2,74,39,164 Equity Shares. For details, see “Capital Structure” on page 51
<b>Equity Shares subscribed and paid-up after the Issue (assuming full subscription for and allotment of the Rights Shares)</b>	[●] Equity Shares
<b>Security Codes for the Equity Shares</b>	BSE: 533158 NSE: THANGAMAYL
<b>ISIN for Rights Entitlements</b>	INE085J01014
<b>Terms of the Issue</b>	For further information, see “Terms of the Issue” on page 51
<b>Use of Issue Proceeds</b>	For further information, see “Objects of the Issue” on page 54

\* Assuming full subscription in the Issue. Subject to finalisation of Basis of Allotment.

For details in relation to fractional entitlements, see “Terms of the Issue - Basis for this Issue and Terms of this Issue – Fractional Entitlements” on page 114.

### Terms of Payment

Due Date	Amount payable per Equity Shares
On Application (i.e., along with the Application Form)	Full amount of the Issue Price i.e. ₹ [●] per Equity Share



## GENERAL INFORMATION

Our Company was originally incorporated as a Private Limited Company on March 24, 2000 under the Companies Act, 1956 as Thangamayil Jewellery Private Limited vide Certificate of Incorporation issued by the Registrar of Companies, Tamil Nadu, Chennai. The name of the Company was changed to Thangamayil Jewellery Limited upon conversion into Public Limited Company with effect from November 20, 2007 and a fresh certificate of incorporation has been obtained from Registrar of Companies, Tamil Nadu, Chennai.

Registered Office	Corporate Office
124, Nethaji Road Madurai - 625 001, Tamil Nadu, India Tel.: +91 452 234 5593	2nd & 3rd Floor, No. 25/6 Palami Centre, New Natham Road Madurai - 625 014, Tamil Nadu, India Tel.: +91 452 438 2815

**Corporate Identity Number:** L36911TN2000PLC044514

**Registration Number:** 044514

### Address of the RoC

Registrar of Companies, Tamil Nadu  
Tamil Nadu, Chennai, Andaman and Nicobar Islands

### Company Secretary and Compliance Officer

V Vijayaraghavan is the Company Secretary and Compliance Officer of our Company. His details are as follows:

V Vijayaraghavan  
2nd & 3rd Floor, No. 25/6  
Palami Centre, New Natham Road  
Madurai - 625 014, Tamil Nadu, India  
Tel.: +91 452 438 2815  
E-mail: [companysecretary@thangamayil.com](mailto:companysecretary@thangamayil.com)

### Lead Manager to the Issue

#### Sundae Capital Advisors Private Limited

404, 4th floor, Vaibhav Chambers  
Bandra Kurla Complex, Bandra (East)  
Mumbai - 400 051, Maharashtra, India  
Tel. No. +91 96 6785 9191 / +91 22 4515 4501  
Email ID: [thangamayil.rights@sundaecapital.com](mailto:thangamayil.rights@sundaecapital.com)  
Website: [www.sundaecapital.com](http://www.sundaecapital.com)  
Investor Grievance e-mail id:  
[grievances.mb@sundaecapital.com](mailto:grievances.mb@sundaecapital.com)  
SEBI Regn. No.: INM000012494  
Contact Person: NitiN Somani / Rajiv Sharma

### Legal Counsel to our Company as to Indian Law

#### SNG & Partners

Advocates & Solicitors  
Unit 13A, 13<sup>th</sup> Floor, Earnest House  
NCPA Marg, Nariman Point  
Mumbai - 400 021, Maharashtra, India  
Telephone Number(s): +91 22 6983 5175  
Contact Person: Aditya Vikram Dua  
Website: [www.sngpartners.in](http://www.sngpartners.in)  
Email: [aditya\\_dua@sngpartners.in](mailto:aditya_dua@sngpartners.in)

## Statutory Auditors of our Company

M/s. B. Thiagarajan & Co,  
Chartered Accountants  
New No. 24, Old No. 15, Yogambal Street, T. Nagar, Chennai - 600 017  
Tel.: +91 44 4212 2115  
**Peer review number:** 015820  
**Firm Registration Number:** 00471S  
**Email:** btandco@gmail.com

## 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 81 0811 4949  
**E-mail ID:** thangamayil.rights2024@linkintime.co.in  
**Website:** www.linkintime.co.in  
**Investor Grievance Email:** thangamayil.rights2024@linkintime.co.in  
**SEBI Regn. No.:** INR000004058  
**Contact Person:** Ms. Shanti Gopalkrishnan  
**CIN:** U67190MH1999PTC118368

Investors may contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre-Issue or post Issue related matters. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB giving full details such as name, address of the Applicant, contact number(s), e-mail address of the sole/ first holder, folio number or demat account, number of Rights Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSB where the Application Forms, or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip. For details on the ASBA process, see “Terms of the Issue” on page 97.

## Experts

Our Company has received a written consent dated December 22, 2024 from M/s. B. Thiagarajan & Co., Chartered Accountants, to include their name in the Draft Letter of Offer, to the extent and in their capacity as a statutory auditor, and in respect of the reports issued by them, included in the Draft Letter of Offer. Such consent has not been withdrawn as on the date of the Draft Letter of Offer.

## Banker to the Issue

[•]

## Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at [www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34](http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34) and updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, please refer to the above-mentioned link.

## Issue Schedule

<b>Last Date for credit of Rights Entitlements</b>	[•]
<b>Issue Opening Date</b>	[•]
<b>Last date for On Market Renunciation of Rights Entitlements #</b>	[•]
<b>Issue Closing Date*</b>	[•]
<b>Finalization of Basis of Allotment (on or about)</b>	[•]
<b>Date of Allotment (on or about)</b>	[•]
<b>Date of credit of Rights Equity Shares (on or about)</b>	[•]
<b>Date of listing (on or about)</b>	[•]

# Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to

the Issue Closing Date.

\* Our Board or the Right Issue Committee will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., [●] to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, i.e., [●].

Further, in accordance with the SEBI Rights Issue Circulars, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Equity Shares may also apply in this Issue during the Issue Period.

Investors are advised to ensure that the Application Forms are submitted on or before the Issue Closing Date. Our Company, the Lead Manager or the Registrar will not be liable for any loss on account of non-submission of Application Forms on or before the Issue Closing Date.

The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar at [www.linkintime.co.in](http://www.linkintime.co.in) after keying in their respective details along with other security control measures implemented thereat. For further details, see “Terms of the Issue- Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders” on page 110.

#### **Inter-se allocation of responsibilities**

Since, Sundae Capital Advisors Private Limited is the sole Lead Manager to the Issue, a statement of inter se allocation of responsibilities is not applicable.

#### **Credit Rating**

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

#### **Debenture Trustee**

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

#### **Monitoring Agency**

Our Company has appointed [●] to monitor the utilization of the Gross Proceeds in terms of Regulation 82 of the SEBI ICDR Regulations.

[●]

#### **Appraising Entity**

None of the purposes for which the Net Proceeds are proposed to be utilized have been financially appraised by any banks or financial institution or any other independent agency.

#### **Book Building Process**

As the Issue is a rights issue, the Issue shall not be made through the book building process.

#### **Minimum Subscription**

The object of the Issue involves (i) Capital expenditure towards setting-up of 6 (Six) new retail stores (“**New Stores**”), including one flagship store in Chennai Metropolitan Area; (ii) Inventory required to be held in New Stores and (iii) General Corporate Purposes. Hence the Objects of the Issue does not include financing of capital

expenditure for a project. Further, our Promoter has confirmed that they will (i) subscribe to the full extent of their Rights Entitlements in the Issue, and they will not renounce their Rights Entitlements, except to the extent of renunciation within the Promoter Group or for the purpose of complying with minimum public shareholding norms prescribed under the SCRR, and (ii) subscribe to the Rights Entitlements which may be renounced in their favour by any other member of the Promoter Group, except to the extent of renunciation by the Promoter for the purpose of complying with minimum public shareholding norms prescribed under the SCRR. Further, our Promoter confirmed that during the Issue Period, they intend to (i) apply for and subscribe to additional Equity Shares, and (ii) subscribe to Equity Shares, if any, which remain unsubscribed in the Issue. Our Promoter Group, to the extent that they hold Equity Shares in the Company, have confirmed to either (i) subscribe to the full extent of their respective Rights Entitlements in the Issue, or (ii) renounce, any or all, of their Rights Entitlements in the Issue in favour of our Promoter. Accordingly, in terms of the proviso to Regulation 86(1) of the SEBI ICDR Regulations, the requirement of minimum subscription is not applicable to the Issue.

The acquisition of Rights Equity Shares by our Promoter and other members of our Promoter Group in this Issue shall be eligible for exemption from open offer requirements in terms of Regulation 10(4)(a) and 10(4)(b) of the SEBI Takeover Regulations, and the Issue shall not result in a change of control of the management of our Company in accordance with provisions of the SEBI Takeover Regulations. Our Company is in compliance with Regulation 38 of the SEBI LODR Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

Our Promoters and Promoter Group have confirmed that any subscription of additional Equity Shares by them over and above their Rights Entitlements will be made only to such extent that the same do not result in breach of the minimum public shareholding requirements prescribed under applicable law.

#### **Underwriting**

The Issue of Equity Shares is not being underwritten and no standby support is being sought for the said Issue.

#### **Filing**

The Letter of Offer is being filed with the Stock Exchanges and SEBI as per the provisions of the SEBI ICDR Regulations. Further, Our Company will simultaneously while filing the Letter of Offer with the Designated Stock Exchange, do an online filing with SEBI through the SEBI Intermediary Portal at [www.sipotal.sebi.gov.in](http://www.sipotal.sebi.gov.in), in accordance with SEBI ICDR Master Circular.

## CAPITAL STRUCTURE

The share capital of our Company as at the date of the Draft Letter of Offer and the details of the Equity Shares proposed to be issued in the Issue, and the issued, subscribed and paid-up share capital after the Issue, are set forth below:

(₹ in lakhs, except share data)			
Sr. No.	Particulars	Aggregate value at face value	Aggregate value at Issue Price
<b>A</b>	<b>AUTHORIZED SHARE CAPITAL</b>		
	3,50,00,000 Equity Shares of face value ₹ 10/- each	3,500.00	
<b>B</b>	<b>ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE ISSUE</b>		
	<b>Issued Capital before the Issue</b>		
	2,74,39,164 Equity Shares of face value ₹ 10/- each	2,743.92	
	<b>Subscribed Capital Before the Issue</b>		
	2,74,39,164 Equity Shares of face value ₹ 10/- each	2,743.92	
	<b>Paid-up Capital before the Issue</b>		
	2,74,39,164 Equity Shares of face value ₹ 10/- each	2,743.92	
<b>C</b>	<b>PRESENT ISSUE IN TERMS OF THE DRAFT LETTER OF OFFER</b>		
	Up to [●] Rights Equity Shares of face value ₹ 10/- each	[●]	[●]
<b>D</b>	<b>ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE ISSUE</b>		
	[●] Equity Shares of face value ₹ 10/- each	[●]	[●]
<b>E</b>	<b>SECURITIES PREMIUM ACCOUNT</b>		
	Before the Issue		1,803.85
	After the Issue		[●]

(1) The Issue has been approved by our Board of Directors vide its resolution dated September 26, 2024 pursuant to section 62(1)(a) and other applicable provisions of Companies Act, 2013.

(2) Assuming full subscription and Allotment of the Rights Entitlement.

### Notes to the Capital Structure

#### 1. Intention and extent of participation by our Promoter & Promoter Group

The Promoter of our Company through its letter dated December 23, 2024 (the "**Subscription Letter**") have undertaken (i) to subscribe to the full extent of its Rights Entitlement, (ii) that it shall not renounce its Rights Entitlement to any individual / entity outside the promoter group and (iii) it may also subscribe to additional shares / the unsubscribed portion in the Issue, if any, subject to compliance with the minimum public shareholding requirements as prescribed under Regulation 38 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the Securities and Contract (Regulations) Rules, 1957.

Such subscriptions of Equity Shares over and above its Rights Entitlement, if allotted, may result in an increase in its percentage shareholding above their current percentage shareholding. Any acquisition of additional Equity Shares shall not result in change of control of the management of the Company in accordance with provisions of the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 and Promoters will continue to be the Promoter of the Company. Any such increase in the shareholding of the Promoter will be exempt subject to fulfillment of the conditions of Regulation 10 of the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011.

In case the rights issue remains unsubscribed and / or minimum subscription is not achieved, the Board of Directors may dispose of such unsubscribed portion in the best interest of the Company and in compliance with the applicable laws.

Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements pursuant to the Issue.

Further, our Promoters, Balarama Govinda Das, BA Ramesh and N B Kumar, Promoters of our Company, have agreed to extend unsecured loan to the extent of ₹ 10,500 lakhs (₹ 3,500 lakhs each of the Promoter), to be utilized only towards the Objects of the Issuer for which funds are proposed to be raised through this Issue. This amount as requested from Balarama Govinda Das, BA Ramesh and N B Kumar and availed by our Company will be fully adjusted against their respective rights entitlement / additional subscription including through renouncement, if any, in the proposed rights issue.

2. The ex-rights price of the Equity Shares as per regulation 10(4)(b) of the SEBI Takeover Regulations is ₹ [●] per Equity Share of face value ₹ 10.
3. **Shareholding Pattern of our Company as per the last filing with the Stock Exchanges in compliance with the provisions of the SEBI LODR Regulations:**

The shareholding pattern of our Company as on September 30, 2024, can be accessed on the website of the BSE at <https://www.bseindia.com/stock-share-price/thangamayil-jewellery-ltd/thangamayil/533158/shareholding-pattern/> and at the website of NSE at <https://www.nseindia.com/get-quotes/equity?symbol=THANGAMAYL>.

The statement showing holding of Equity Shares of persons belonging to the category “Promoter and Promoter Group” including the details of lock-in, pledge of and encumbrance thereon, as on September 30, 2024, can be accessed on the website of the BSE at <https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=533158&qtrid=123.00&QtrName=September%202024> and at the website of NSE at <https://www.nseindia.com/get-quotes/equity?symbol=THANGAMAYL>.

The statement showing holding of securities (including Equity Shares, warrants, convertible securities) of persons belonging to the category “Public” including Equity Shareholders holding more than 1% of the total number of Equity Shares as on September 30, 2024, as well as details of shares which remain unclaimed for public can be accessed on the website of the BSE, at <https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=533158&qtrid=123.00&QtrName=September%202024> and at the website of NSE at <https://www.nseindia.com/get-quotes/equity?symbol=THANGAMAYL&series=EQ>.

The details of shares locked-in, pledged, encumbered by Promoter and Promoter Group can be accessed on the website of the BSE at [https://www.bseindia.com/corporates/Pledge\\_new.aspx?expandable=5](https://www.bseindia.com/corporates/Pledge_new.aspx?expandable=5) and at the website of NSE at <https://www.nseindia.com/companies-listing/corporate-filings-pledged-data>.

4. All Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of the Draft Letter of Offer. Further, the Equity Shares allotted pursuant to the Issue, shall be fully paid up. For further details, refer to “Terms of Issue” on page 97.
5. There are no outstanding options or convertible securities, including any outstanding warrants or rights to convert debentures, loans or other instruments convertible into our Equity Shares as on the date of the Draft Letter of Offer.
6. The Company does not have any employee stock option plan as on date of the Draft Letter of Offer.
7. None of the securities were acquired by Promoter and Promoter Group in last one-year preceding date of the Draft letter of Offer.
8. As on the date of the Draft Letter of Offer, all Equity Shares held by our Promoters are held in dematerialized form.
9. No Equity Shares were issued by our Company during the preceding twelve months from the date of the Draft Letter of Offer for a consideration other than cash.
10. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.

11. Our Company shall ensure that any transaction in the Equity Shares by the Promoters and the Promoter Group during the period between the date of filing the Draft Letter of Offer and the date of closure of the Issue shall be reported to the Stock Exchange within 24 hours of such transaction.
12. The details of the equity shareholders holding more than 1% of the issued and paid-up Equity Share capital of our Company as on September 30, 2024, is as detailed below:

<b>Sr. No.</b>	<b>Name of shareholder</b>	<b>No. of shares held</b>	<b>%age</b>
1	Ramesh.BA	47,77,783	17.41%
2	Balarama Govinda Das	47,21,798	17.21%
3	Kumar.N.B.	47,22,179	17.21%
4	Thangamayil Gold and Diamond Private Limited	14,98,688	5.46%
5	DSP Small Cap Fund	14,53,241	5.30%
6	SBI Small Cap Fund	11,40,000	4.15%
7	Custody Bank of Japan, Ltd. Re: RB Amundi India Small Cap Equity Mother Fund	6,81,563	2.48%
8	Balusamy Silvears Jewellery Private Limited	4,81,550	1.75%
9	SBI Conservative Hybrid Fund	4,14,228	1.51%
10	Chandramogan R G	3,64,828	1.33%
11	SBI Magnum Children's Benefit Fund - Investment Plan	2,88,956	1.05%
	<b>Total</b>	<b>2,05,44,814</b>	<b>74.87%</b>

13. There have been no financing arrangements whereby our Promoters, members of our Promoter Group, our Directors and their relatives, have financed the purchase by any other person of securities of our Company, other than the normal course of business, during a period of six months immediately preceding the date of filing of the Draft Letter of Offer.
14. As on the date of the Draft Letter of Offer, the Lead Manager and their respective associates (as defined in the SEBI Merchant Bankers Regulations) do not hold any Equity Shares of our Company. The Lead Manager 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.
15. Our Company, any of our Directors and the Lead Manager has not entered into any buy back arrangements for purchase of Equity Shares from any person.

## OBJECTS OF THE ISSUE

The proceeds of the Issue, after deducting Issue related expenses, are estimated to be ₹ 50,741.23 lakhs (the “**Net Proceeds**”). Our Company proposes to utilize the Net Proceeds from the Issue towards funding of the following objects:

1. Capital expenditure towards setting-up of 6 (Six) new retail stores (“**New Stores**”), including one flagship store in Chennai Metropolitan Area
2. Inventory required to be held in New Stores
3. General Corporate Purposes

The main objects and the objects incidental and ancillary to the main objects of our Memorandum of Association (“MOA”) enable our Company to undertake the activities for which the funds are being raised through the Issue. Further, we confirm that the activities which we have been carrying out till date are in accordance with the object clause of our MOA.

### Net Proceeds

The details of the Issue Proceeds are summarized in the table below:

Particulars	Amount
Gross Proceeds of the Issue*	51,000.00
Less: Estimated Issue related expenses**	258.77
<b>Net Proceeds**</b>	<b>50,741.23</b>

\* Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment.

\*\* To be finalized upon determination of the Issue Price and updated in the Letter of Offer. Please see “Objects of the Issue - Estimated Issue Expenses” on page 59.

### Requirement of Funds and Utilisation of Net Proceeds

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

Particulars	Amount
Capital expenditure towards setting-up of 6 (Six) new retail stores (“ <b>New Stores</b> ”), including one flagship store in Chennai Metropolitan Area	1,468.88
Inventory required to be held in New Stores	38,416.32
General Corporate Purposes*	10,856.02
<b>Total**</b>	<b>50,741.23</b>

\* Subject to finalisation of Basis of Allotment. The amount to be utilised for General Corporate Purposes shall not exceed 25% of the Gross Proceeds.

\*\* Assuming full subscription in the Issue and subject to finalisation of Basis of Allotment.

### Proposed Schedule of Implementation and Deployment of Net Proceeds

We propose to deploy the Net Proceeds towards the Object of the Issue in accordance with the estimated schedule of implementation and deployment of funds as follows:

Particulars	Amount to be funded from the Net Proceeds*	Estimated deployment of the Net Proceeds in	
		Fiscal 2025	Fiscal 2026
Capital expenditure towards setting-up of 6 (Six) new retail stores (“ <b>New Stores</b> ”), including one flagship store in Chennai Metropolitan Area	1,468.88	1,468.88	-
Inventory required to be held in New Stores	38,416.32	25,041.30	13,375.03
General Corporate Purposes*	10,856.02	5,000.00	5,856.02
<b>Total</b>	<b>50,741.23</b>	<b>31,510.18</b>	<b>19,231.05</b>

\* Subject to finalisation of Basis of Allotment. The amount to be utilised for General Corporate Purposes shall not exceed 25% of the Gross Proceeds.



The fund requirements, the deployment of funds and the intended use of the Net Proceeds as described herein are based on our Company's current business plan, management estimates, prevailing market conditions and other commercial and technical factors. However, such fund requirements and deployment of funds have not been appraised by any bank, or financial institution. See '*Risk Factor 8 - Our funding requirements and proposed deployment of the Net Proceeds of the Issue have not been appraised by a bank or a financial institution and if there are any delays or cost overruns, our business, financial condition and results of operations may be adversely affected.*' on page 24. Our Company may have to revise its funding requirements and deployment on account of a variety of factors such as financial and market conditions, macro-economic factors, change in government policy, changes in business and strategy, competition, and other external factors such as changes in the business environment and interest or exchange rate fluctuations, which may not be within the control of our Company's management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of our Company's management, subject to compliance with applicable laws.

In the event that the estimated utilisation of the Net Proceeds in a scheduled fiscal year is not completely met, such unutilised amounts shall be utilised (in part or full) in the next fiscal year, as may be determined by our Company, in accordance with applicable laws. We may, however, utilize the proceeds prior to the specific periods mentioned in the schedule of deployment, in accordance with the requirements of our Company. Further, if the actual utilisation towards the objects is lower than the proposed deployment, such balance will be used for general corporate purposes to the extent that the total amount to be utilized towards general corporate purposes will not exceed 25% of the Gross Proceeds in accordance with the Regulation 62(2) of the SEBI ICDR Regulations. In case of a shortfall in raising requisite capital from the Net Proceeds, business considerations may require us to explore a range of options including utilizing our internal accruals and seeking additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls.

#### Means of Finance

The fund requirement and deployment is based on our Management estimates and has not been appraised by any bank or financial institution or any other independent agencies. The fund requirement above is based on our current business plan.

The requirement of funds towards Object of the Issue will be met from the Net Proceeds. Accordingly, we confirm that there is no requirement for us to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Issue or through existing identifiable internal accruals as required under Regulation 62(1)(c) of the SEBI ICDR Regulations.

Our Company has been in the need of immediate fund requirement for interiors and furniture and fixtures work and gold inventory to be held for the proposed opening of flagship store in Chennai. For the same, the Company has already incurred ₹ 924.74 lakhs from internal accruals. Further, our Company may require additional funds on immediate basis to meet the requirement of funding the capital expenditure and also inventory to be maintained in the said flagship store. Since it may take certain time to raise funds from this Issue, subject to the borrowing limits approved by our shareholders, our Company has requested promoters to provide unsecured loan to our Company until funds are raised through this Issue. In view of this, Balarama Govinda Das, BA Ramesh and N B Kumar, Promoters of our Company, have agreed to extend unsecured loan to the extent of ₹ 10,500 lakhs (₹ 3,500 lakhs each of the Promoter), to be utilized only towards the Objects of the Issuer for which funds are proposed to be raised through this Issue. This amount as requested from Balarama Govinda Das, BA Ramesh and N B Kumar and availed by our Company upto the Issue Closing Date will be fully adjusted against their respective rights entitlement / additional subscription including through renouncement, if any, in the proposed rights issue.

Details of unsecured loan agreed to be extended to our Company by the Promoter shareholder(s):

(in ₹ lakhs)

Name of shareholder	Amount agreed to be disbursed	Date of sanction / consent	Terms of loan
Balarama Govinda Das	3,500.00	December 23, 2024	Interest: Nil Repayment: Through adjustment against share application money. If rights issue does not conclude, the same will be repayable by the Company within a period of 12 months from the date of disbursement.
BA Ramesh	3,500.00		
N B Kumar	3,500.00		
<b>Total</b>	<b>10,500.00</b>		

Our Company further confirms that the above loan, as may be disbursed to our Company will be utilized only towards the proposed objects of the Issue and a certificate of our Statutory Auditors will also be made available for inspection to the members of our Company.

### Details of the Objects of the Issue

The details in relation to objects of the Issue are set forth herein below.

#### 1. Capital expenditure towards setting-up of 6 (Six) new retail stores (“New Stores”), including one flagship store in Chennai Metropolitan Area

We sell our products through our physical stores, and therefore our stores form an important part of our business. Purchasing jewellery is a personal experience, which requires customers to physically examine jewellery products, assess quality, and try the products to ensure perfect fit and style. We try to enhance our in-store experience through presence of our sales executives at each store, which provides on-ground assistance to our customers on aspects related to availability of design, sizes, materials and quality or customization of size and designs, which helps fostering relationships and trust that translate into sales and brand loyalty. Our stores also allow us to better showcase intricate design and curated displays showcasing the craftsmanship and quality.

Our Company proposes to utilize ₹ 1,468.88 lakhs towards capital expenditure for opening of one flagship store in Chennai and five satellite stores in Chennai Metropolitan Area, details of which are as under:

1. Opening of one flagship store in Chennai (flagship stores).
2. Opening of 5 (five) satellite stores in Chennai Metropolitan Area (comparatively smaller in size).

Our Company do not have any presence in metro cities as on the date of the Draft Letter of Offer. The summary details of the new stores opened by the Company during the last three Fiscals are as follows:

Stores in non metro cities	Number of stores established / operational during			
	Six months period ended September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
No. of stores at the start of the Fiscal	57	53	51	47
Stores opened during the Fiscal	3	7	2	4
Stores merged with another store during the Fiscal	1	3	Nil	Nil
No. of stores at the end of the Fiscal #	59	57	53	51

# The number of stores include small exclusive silver stores also.

The company plans to use the proceeds of the Net Issue to open new flagship store in Chennai, aiming to establish a strong presence in the market and satellite stores could be comparatively smaller stores in Chennai Metropolitan Area that support the main stores but serve a more localized customer base.

The details of New Stores to be opened are as under:

Store Format & Location	Operational Area (in sq. ft.) (A)	Fit out cost (C) = (A) x (B) <sup>1</sup>	Amount already spent (D) <sup>2</sup>	Amount proposed to be spent through Net Proceeds (E) = (C) – (D)	Security deposit <sup>3</sup>	(₹ in lakhs, expect for the area)	
						Status of capital expenditure completion	Status of requirement of inventory
Flagship Store (in Chennai) <sup>4</sup>							
- Retail space	8,750	1,064.83	693.69	371.14	285.00	Fiscal 2025	Required in Fiscal 2025
- Back office & works operations	4,500						
Satellite stores (in Chennai Metropolitan Area)							
- Virgampakkam	3,195	254.42	122.36	132.06	10.00	Fiscal 2025	Required in Fiscal 2025
- Iyyappanthangal	4,025	293.97	108.69	185.28	30.00	Fiscal 2025	Required in Fiscal 2025
- Gowriwakkam	3,350	252.64	-	252.64	10.00	Fiscal 2026	Required in Fiscal 2026
- Urappakkam	4,420	311.57	-	311.57	30.00	Fiscal 2026	Required in Fiscal 2026

Store Format & Location	Operational Area (in sq. ft.) (A)	Fit out cost (C) = (A) x (B) <sup>1</sup>	Amount already spent (D) <sup>2</sup>	Amount proposed to be spent through Net Proceeds (E) = (C) – (D)	Security deposit <sup>3</sup>	Status of capital expenditure completion	Status of requirement of inventory
- Avadi	3,564	216.19	-	216.19	10.00	Fiscal 2026	
<b>Total</b>	<b>31,804</b>	<b>2,393.62</b>	<b>924.74</b>	<b>1,468.88</b>	<b>375.00</b>		

<sup>1</sup> Our Company has obtained estimate for fit out cost from two Architecture and Interior Firm, including PD Syns, Chennai which cost was lower. The above estimate is based on the quotation / estimate dated December 06, 2024 received from PD Syns, Chennai. Further, the said estimate does not include GST as the rates for the same may defer from item to item and also will be crystalized post finalization of the input cost. Hence the same is proposed to be incurred by our Company out of the funds allocated for General Corporate Purposes under this Issue.

<sup>2</sup> Pursuant to the certificate dated [●], M/s. B. Thiagarajan & Co., Statutory Auditors of the Company, have certified the amount already utilised by the Company towards capital expenditure / fit out cost incurred for the New Stores till [●] and that such funds have been utilised out of internal accruals.

<sup>3</sup> Security deposit already paid out of internal accruals, based on the certificate dated [●] received from [●]

<sup>4</sup> The Company has entered into memorandum of understanding for the same. The final lease agreement is yet to be entered.

Set out below is a brief description of the total estimated fit out cost to be incurred for establishing a New Store:

Costs	Particulars
Fit-out costs	Fit-out costs primarily include one or more of interior work such as flooring, partition, electrical and painting, false ceiling, installation of fire extinguisher system, heating ventilation and air conditioning (“HVAC”) and installation charges thereof, installation of closed-circuit television (“CCTV”) cameras, caratmeter, weighing machine, installation of lights such as track lights and spotlights, aluminium composite (“ACP”), front sales counter rack, display wall rear rack, elevation work, generator, UPS, Safe Godrej locker door, facades, façade signages and branding work.
Security deposit	For the New Stores, we are required to pay rental advances / security to the landlord, as part of the rental and lease arrangement for each New Store.

All quotations received from the aforementioned vendors are valid as on the date of the Draft Letter of Offer. There can be no assurance that the estimates received will not change with the passage of time at the time of placing purchase order for any of the machinery or other fit out requirement. If there is any increase in the costs of fit-out costs, the additional costs shall be paid by us from our internal accruals.

For further details, see “Risk Factors 15 - If we are unable to effectively manage or expand our retail network and operations or pursue our growth strategy, our new stores may not achieve our expected levels of profitability which may adversely affect our business prospects, financial condition and results of operations” on page 29.

## Government Approvals

In relation to this proposed Object, we are required to obtain certain approvals and/or licenses, which are routine in nature, from certain governmental or local authorities, which include registration of our stores under the shops and establishments legislations of the state, fire no objection certificate, GST, certification under Standard Weights and Measures, etc. Such registrations be applied by our Company prior to the commencement of such store. We will apply for such approvals, as applicable, in the ordinary course and in accordance with applicable laws.

## 2. Inventory required to be held in New Stores

The major investment in any of our store is the inventory required to be maintained by us in form of jewellery. Inventory costs include expenses associated with purchasing, storing, and managing the stock of jewellery products that we intend to sell and cover cost like raw materials, custom jewelry, shipping fees, insurance during transit, security, inventory management systems, theft or loss, damage, supplier payment, interest on loans or credit, depreciation, packaging, staff salaries, inventory audits cost. We try to ensure that all our stores have a well-curated and well stocked with inventory of our designs catering to different price points, styles, and target audiences. During the initial phase of a newly opened store, we are required to ensure the optimum inventory mix which balances a diverse selection of our designs, while ensuring manageable stock levels. For our newly opened stores, our inventory costs would include cost of procuring initial stock of the various designs of jewellery (in gold, platinum, silver, diamond, precious and semi-precious stones) typically retailed at our stores.

The details of average inventory held by each store and the average area of the store operated by the Company during the six months period ended September 30, 2024 and Financial Years ended March 31, 2024 and March 31, 2023 are as under:

Sr. No.	Particulars	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023
1	Gold inventory held (in grams) (including jewellery held by the Company as stock in hand)	17,77,560	16,76,470	14,99,940
2	Total number of stores operational *	50	47	41
3	Average quantity of gold held (in grams) (including jewellery held by the Company as stock in hand) (3) = (1) / (2)	35,551	35,670	36,584
4	Total carpet area under operation for above stores	89,735	84,700	74,536
5	Average area per store (in sq. ft.)	1,795	1,802	1,818
6	Gold inventory held (in grams) per sq. ft. of area under operation	20	20	20

\* The above number of stores does not include small exclusive silver stores operated by our Company on such date.

Note: Pursuant to the certificate dated [●], M/s. B. Thiagarajan & Co., Statutory Auditors of the Company, have certified the amount of Gold inventory held (in grams) by the Company per sq. ft. of area under operation, alongwith the other figures, as above and the said certificate has been taken on record by the Rights Issue Committee in their meeting held on December 23, 2024.

Based on the average inventory of 20 grams per sq. ft. of operational area, our Management has estimated the requirement of gold inventory to be held at each of the New Stores as under:

(₹ in lakhs, except for the area)

Store Format & Location	Operational Area (in sq. ft.)	Inventory of gold (gms per sq. ft.)	Value of gold inventor <sup>4</sup>	Non gold inventory (10% of gold inventory) <sup>3</sup>	Total inventory requirement
Flagship Store (in Chennai) <sup>1</sup>					
- Retail space	8,750	24.00	15,019.20	1,501.92	16,521.12
Satellite stores (in Chennai Metropolitan Area) <sup>2</sup>					
- Virgampakkam	3,195	15.00	3,427.60	342.76	3,770.36
- Iyyappanthangal	4,025	15.00	4,318.02	431.80	4,749.82
- Gowriwakkam	3,350	15.00	3,593.88	359.39	3,953.27
- Urappakkam	4,420	15.00	4,741.78	474.18	5,215.95
- Avadi	3,564	15.00	3,823.46	382.35	4,205.81
<b>Total</b>	<b>27,304</b>		<b>34,923.93</b>	<b>3,492.39</b>	<b>38,416.32</b>

<sup>1</sup> As against the average inventory requirement of 20 gms per sq. ft. for the present operational stores, which are in Tier 2 cities and other smaller cities, the flagship store being in Chennai is expected to have a larger inventory requirement for the following reasons:

- Being metro city, the Management expects larger footfall and wider customer preferences
- Being the flagship store, it is also proposed to cater to the requirement of inventory and designs requirement of the customers visiting the satellite stores proposed to be opened by the Company and hence will be required to maintain higher inventory.

<sup>2</sup> Since the stores are satellite stores and will operate in the Chennai Metropolitan Area, the Management proposes to hold higher inventory and designs at the flagship store which will cater to the requirement of the satellite store, hence it is proposed to hold 75% of the inventory levels being held by the existing stores to optimize the inventory held by the Company.

<sup>3</sup> The value of gold inventory has been assessed as expected Operational Area X Inventory of gold (gms per sq. ft.) X Rs. 7,152 (Rs. 7,152 is the average price of 1 gram of gold for the period from November 22, 2024 to December 21, 2024 as available on the website of The Jewellers and Diamond Traders' Association, Madras (<https://www.thejewellersassociation.org/index.php>))

<sup>4</sup> An incremental value of inventory has been taken as 10% of the gold value which includes, Silver, Diamond, Platinum and precious stones.

*Note: The Rights Issue Committee their meeting held on December 23, 2024 has taken on record and approved the estimated volume of gold inventory to be held (in grams) by the Company per sq. ft. of area for the New Stores and the estimated value of inventory to be held at the New Stores and the same has been certified, based on the estimation by M/s. B. Thiagarajan & Co., Statutory Auditors of the Company vide their certificate dated [●].*

We source gold for our operations from multiple vendors, including under the gold metal loans through banks and we also use internal accruals or short term borrowings to fund purchase of gold from independent bullion dealers and to purchase old gold under exchange programs from our customers. Since gold metal loans carry lower rate of interest as compared to other working capital loans, usage of the same may result in reduced cost of borrowings. Our Company may decide the manner and extent of utilisation of Net Issue proceeds towards purchase of gold inventory for the New Stores by using the gold metal loan facility against fixed deposit, to reduce the overall cost of borrowings of the Company.

### 3. General corporate purposes

Our Company proposes to deploy the balance Net Proceeds amounting to ₹ 10,856.02 lakhs (net of the expenses in relation to the Issue) towards general corporate purposes aggregating to 21.29% of the Gross Proceeds of the Issue (subject to such utilisation not exceeding 25% of the Gross Proceeds of the Issue), in compliance with Regulation 62(2) of the SEBI ICDR Regulations. The general corporate purposes for which our Company proposes to utilise the Net Proceeds include payment of GST on the capital expenditure to be incurred towards opening of New Stores, meeting our long term and short-term working capital requirements, setting up of further new stores, marketing, advertising expenditures and business development expenses 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.

### Estimated Issue Related Expenses

The Issue related expenses consist of fees payable to the Legal Counsel, Lead Manager, Registrars to the Issue, printing and stationery expenses, advertising expenses and all other incidental and miscellaneous expenses for listing the Rights Equity Shares on the Stock Exchange.

The total expenses of the Issue are estimated to be approximately ₹ 258.77 lakhs, as set out below:

Particulars	Estimated amount*	(unless otherwise specified, in ₹ lakhs)	
		Percentage of total estimated Issue expenditure (%)	Percentage of Issue Size (%)
Fees payable to the Lead Manager	29.50	11.40%	0.06%
Fees payable to legal advisors and other professional service providers (includes Statutory Auditors, practising company secretary, independent chartered account, etc.)	76.70	29.64%	0.15%
Fees payable to the Registrar to the Issue	8.85	3.42%	0.02%
Advertising, marketing and shareholder outreach expenses	8.85	3.42%	0.02%
Fees payable to regulators, including Stock Exchanges, SEBI, depositories and other statutory fees	92.39	35.70%	0.18%
Printing and stationery, distribution, postage, etc.	1.18	0.46%	0.00%
Other expenses (including miscellaneous expenses and stamp duty & advisor to the Company)	41.30	15.96%	0.08%
<b>Total estimated Issue related expenses*</b>	<b>258.77</b>	<b>100.00%</b>	<b>0.51%</b>

\* Includes applicable taxes. Subject to finalisation of Basis of Allotment. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the

amount allocated towards general corporate purposes. All issue related expenses will be paid out of the Issue Proceeds received at the time of receipt of the Application Money.

### **Interim Use of Net Proceeds**

Our Company, in accordance with the applicable law, policies established by our Board from time to time and in order to attain the Objects set out above, will have flexibility to deploy the Net Proceeds. Pending utilisation of the Net Proceeds for the purposes described in this section, our Company may temporarily invest the Net Proceeds in deposits in one or more scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934, as may be approved by our Board and no lien of any nature shall be created on the underline funds. Our Company confirms that, other than as specified in this section for the purposes of the Objects, it shall not use the Net Proceeds for buying, trading or otherwise dealing in equity securities or any equity linked securities.

### **Monitoring Utilization of Funds from the Issue**

Our Company has appointed [●] as the Monitoring Agency for the Issue to monitor the utilization of the Gross Proceeds. The Monitoring Agency shall submit a report to our Board, till 100% of the Gross Proceeds has been utilised, as required under the SEBI ICDR Regulations. Our Company will disclose the utilization of the Gross Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. Our Company will indicate instances, if any, of unutilized Gross 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 32(3) of the SEBI LODR Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Gross Proceeds. Further, pursuant to Regulation 32(5) of the SEBI LODR Regulations, our Company shall, on an annual basis, prepare a statement of funds utilised for purposes other than those stated in the Draft Letter of Offer 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 Gross Proceeds have been utilised in full. The statement shall be certified by the Statutory Auditor(s) of our Company or a peer reviewed independent chartered accountant, which shall be submitted by our Company with the Monitoring Agency.

Furthermore, in accordance with Regulation 32(1) of the SEBI LODR 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. This information will also be published on our website and explanation for such variation (if any) will be included in our directors' report, after placing it before the Audit Committee.

### **Strategic or Financial Partners**

There are no strategic or financial partners to the Objects of the Issue.

### **Bridge financing facilities**

Our Company has not raised any bridge loans from any bank or financial institution as of the date of the Draft Letter of Offer, which are proposed to be repaid from the Net Proceeds.

### **Appraising entity**

None of the objects for which the Net Proceeds will be utilized have been appraised by any agency or any financial institution.

### **Other confirmations**

No part of the Gross Proceeds will be utilized by our Company as consideration to our Promoters, members of our Promoter Group, our Directors, or Key Managerial Personnel, Senior Management or Group Companies. Our Company has not entered into or is not planning to enter into any arrangement / agreements with our Directors, our Promoters, the members of our Promoter Group, the Key Managerial Personnel or Senior Management in relation to the utilization of the Gross Proceeds of the Issue. Our Company has not entered into nor has planned

to enter into any arrangement / agreements with our Directors, our Key Managerial Personnel, our Senior Management or our Group Companies in relation to the utilisation of the Gross Proceeds.

No part of the proceeds of the Issue will be paid by our Company to our Promoter, our Promoter Group, our Directors or our Key Managerial Personnel or Senior Management.

Our Promoter, our Promoter Group and our Directors do not have any interest in the objects of the Issue, and there are no material existing or anticipated transactions in relation to utilization of the Net Proceeds with our Promoter, Promoter Group, Directors, Key Managerial Personnel, Senior Management or associate companies (as defined under the Companies Act, 2013).

## STATEMENT OF TAX BENEFITS

To,

**The Board of Directors**  
**Thangamayil Jewellery Limited**  
124 Nethaji Road,  
Madurai,  
Tamil Nadu, India, 625001

**Re: Proposed rights issue of the equity shares of Thangamayil Jewellery Limited (the “Company” and such offering, the “Issue”).**

---

We hereby report that the enclosed Statement prepared by Thanga Mayil Jewellery Limited (the “Company”) states the possible special tax benefits available to the Company and to the shareholders of the Company under the Income-tax Act, 1961 and Income tax Rules, 1962 including amendments made by Budget presented in July 2024, other relevant circulars and notifications, as applicable for the financial year 2024-25, Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, State Goods and Services Tax Act as passed by respective State Governments from where the Company operates and applicable to the Company, Customs Act, 1962 and [Foreign Trade Policy 2023] as applicable for the financial year 2024-25 relevant to the assessment year 2025-26 (“Tax Laws”), presently in force in India as on the signing date, for inclusion in the Draft Letter of Offer for the proposed Issue of the Company to the existing shareholders. These benefits are dependent on the Company or the shareholders of the Company fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company or the shareholders of the Company to derive the special tax benefits is dependent upon fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company or the shareholders of the Company may or may not choose to fulfill.

The benefits discussed in the enclosed statement cover only special tax benefits available to the Company, and to the shareholders of the Company and are not exhaustive and also do not cover any general tax benefits available to the Company. Further, any benefits available under any other laws within or outside India have not been examined and covered by this Statement.

Further, the preparation of the enclosed Statement and its contents was the responsibility of the management of the Company. We were informed that this Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed Issue.

We have conducted our examination in accordance with the ‘Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)’ and ‘Guidance Note on the Reports in Company Prospectuses (revised 2019)’ (“the **Guidance Notes**”) issued by the Institute of Chartered Accountants of India (‘ICAI’). The Guidance Notes require that we comply with ethical requirements of the Code of Ethics issued by the ICAI.

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

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

- the Company or the shareholders of the Company will continue to obtain these benefits in future; or
- the conditions prescribed for availing the benefits, where applicable, have been / would be met with.

The contents of the enclosed statement are based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of 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. We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this Statement.

This statement is solely for your information and not intended for general circulation or publication and is not to be reproduced or used for any other purpose without our prior written consent, other than for inclusion of extracts of this statement in the Draft Letter of Offer and submission of this statement to the Securities and Exchange Board of India, the stock exchanges where the Equity Shares of the Company are proposed to be listed, in connection with the proposed Issue, as the case may be.

For and on behalf of M/s. Gopalaiyer and Subramanian,  
Chartered Accountants  
Firm Registration Number: 000960S

Sd/-

Name: S. Sundar

Partner

ICAI Membership Number: 202725

Date: 22nd December, 2024

Place: Chennai

UDIN: 24202725BKEYKS2724

**Encl: As above**

## ANNEXURE I

There is no tax benefit available to the Company and to the shareholders of the Company.

For and on behalf of M/s. Gopalaiyer and Subramanian,  
Chartered Accountants  
Firm Registration Number: 000960S

Sd/-

Name: S. Sundar

Partner

ICAI Membership Number: 202725

Date: 22nd December, 2024

Place: Chennai

UDIN: 24202725BKEYKS2724

## OUR BUSINESS

*In this section, unless the context otherwise requires, indicates or implies, references to “we”, “us” or “our” are to Thangamayil Jewellery Limited. Unless otherwise stated, or unless the context requires otherwise, the financial information used in this section is derived from our audited financial statements as of and for the year ended March 31, 2024 and 2023 and our Unaudited Limited Reviewed Financial Results as of and for the six months ended September 30, 2024. Financial information as of and for the six months ended September 30, 2024 are not indicative of future operating results and are not comparable with annual financial information. References to a “Fiscal” in this section are as of and for the relevant year ended March 31.*

Our Company was established in the year 2000 as “Thangamayil Jewellery Private Limited” by our promoters Baram Govinda Das, BA Ramesh and NB Kumar, and as on September 30, 2024 has 59 Showrooms across Tamil Nadu under our brand name “Thangamayil”, All such showrooms are company owned and company operated. We are primarily into the business of selling gold and diamond jewellery. We also sell jewellery made of silver, platinum and precious and semi-precious stones and other metals. Our other offerings also include customised jewellery, gold and silver coins and utensils made of silver.

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. Under our brand “Thangamayil, we have created various other Registered Designs & Collections of jewellery brands such as Subiksham, Minimini Diamonds (Thangamayil Diamonds for everyone), Sayonee, Omana, Punnagai, BeU, Thanga Mangalyam, Sil-Wear Smile, Kutty smile and Lakshanam to cater to the varied needs of our customers. We also have several saving schemes for our customers such as SUPER GOLD, FUTURE PLUS FLEXI, SMART GOLD PLAN AND DIGI GOLD to facilitate our customers to save and invest in form of gold.

Additionally we have one jewellery manufacturing facilities in Madurai, that cater to our sales.

We manufacture as well as source our jewellery from various dealers in PAN India level, mainly from Tamil Nadu, Andhra Pradesh, Kerala, Karnataka, Mumbai, Gujarat and West Bengal. We manufacture gold and Silver jewellery for sale in our showrooms at our manufacturing facilities in Madurai. In addition, we have 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. We stringently follow the hallmarking process for all our jewellery.

Our marketing campaigns are tailored to enhance our brand recall and generate increased footfalls in our Showrooms throughout the year and to highlight the variety of our collection and designs, especially our light weight gold jewellery. Our marketing schemes vary as per occasion, season and the needs of our customers and are tailored to benefit occasions such as weddings, anniversaries, birthdays and festivities, when people customarily buy jewellery. During the six months period ended September 30, 2024 and the Fiscals 2024 and 2023, we incurred expenses of ₹ 2,716.25 lakhs, ₹ 3,645 lakhs and ₹ 3,593 lakhs, respectively, on advertising and sales promotion representing 1.13%, 0.95% and 1.14% respectively of the revenue from operations for the respective periods. As a part of our marketing initiatives, we regularly tie-up with celebrities as brand ambassadors to promote our brand or specific collections and to enhance our brand presence for specific markets.

The following table provides a snapshot of certain of our financial and operational performance indicators for the periods indicated:

Particulars	Six months period ended September 30, 2024 *	Fiscal	
		2024	2023
Revenue from operations	2,39,843	3,82,678	3,15,255
Less: Wholesale	8,900	13,600	27,600
Retail Sales	2,30,900	3,69,100	2,877
Comprising of			
- Gold jewellery	2,12,300	3,37,300	2,62,200
- Non gold (silver, diamonds and other products)	18,600	31,800	25,500
Non gold sale as %age of retail sale	8.06%	8.62%	8.86%

Particulars	Six months period ended September 30, 2024 *	Fiscal	
		2024	2023
Cost of goods sold	2,20,247	3,40,396	2,81,641
Cost of goods sold as a percentage of revenue from operations (in %age)	91.83%	88.95%	89.34%
Reported EBITDA	8414	21800	15600
Add / (Less): Inventory Loss / (Gain)	3300	(3500)	(4200)
Add / (Less): Hedging Loss / (Income)	2600	1600	1800
Adjusted EBITDA	14300	19900	13200
EBITDA as %age to Revenue from operations	3.51%	5.69%	4.96%
Adjusted EBITDA as %age of retail sale	6.19%	5.39%	4.59%
Net profit after tax (%age)	1.63%	3.22%	2.53%
Average Return on Equity	15.50%	27.95%	22.37%
Average return on capital employed	10.05%	15.97%	14.52%
Inventory turnover	3.65	3.52	3.64
Debt to Equity ratio	1.87	1.84	2.01
Debt Service Coverage Ratio	14%	36%	22%

\* Not annualised

## Our Strength

### *We have a long history and an established brand name*

We believe that we have developed “Thangamayil Jewellery Limited” as an established brand in our markets in Tamil Nadu, as a jewellery retailer with a wide range of gold, silver and diamond jewellery products. We have more than two decades’ track-record which evokes consumer’s trust in our products. We believe that our focus on quality, craftsmanship and original designs, together with our targeted marketing and customer service, has contributed to our brand recognition and customer loyalty.

Through the following initiatives, we have helped strengthen our brand by building customer trust and promoting transparency.

- **BIS hallmarked jewellery:** Bureau of Indian Standards, or BIS, hallmarked jewellery has become mandatory from December 01, 2021. However, we have been selling only BIS hallmarked jewellery much before BIS norms became mandatory. Our BIS hallmarked jewellery is independently verified for purity by government-approved agencies in accordance with BIS norms.
- **Detailed price tags disaggregating various components:** All of our jewellery items are accompanied by a detailed pricing tag disaggregating the various components such as metal weight, stone weight, stone price and making charges to aid transparency to consumers.
- **Best quality of choice products at right price:** This has become our caption in marketing. We do not only identify with pricing but with design/ ranges/ marketing/special features/ services etc., along with the tag of right price to get the repeat customers by leveraging our operating efficiencies.
- **Karatmeters to verify purity:** Our showrooms offer karatmeters to allow customers to verify the purity of our gold jewellery as well as the jewellery they have previously purchased from other sources.
- **Product certification:** With each purchase of jewellery we provide our customers with “product certification” which assures purity, offers lifetime product maintenance, identifies exchange and buy-back terms and provides a detailed product description.
- **Relevant Staff Training:** Our sales staff is trained to be forthright with customers and to develop trust with the aim of providing long-term customer satisfaction and winning repeat business rather than focusing on a one-time sale.

### *With focussed presence and foothold in Tamil Nadu, we are well positioned to capitalize on industry growth*

We offer a wide range of products across various price points and cater to customers across various market segments and have penetrated into the interiors and small cities of Tamil Nadu and this serves as a competitive strength against our competitors as there are no major players in the Jewellery segment catering to rural areas or interiors of Tamil Nadu. Further, investing in gold is a major form of investment in rural areas or interiors of Tamil Nadu. Predominantly, the rural population is eager to invest in gold ornaments for future safety and also they save in form of gold for marriage of their children in future. Also, the Ethnic population enjoys the reputation of

exchanging gifts of gold ornaments on festivals and weddings. We have expanded our presence in Tamil Nadu. Our total showroom count has grown from 57 showrooms across Tamil Nadu cities, as of March 31, 2024 to 59 showrooms across Tamil Nadu cities, as of September 30, 2024. The below mentioned is the table of our current showrooms in the state of Tamil Nadu:

Sr. No.	District	No. of Showrooms
1	MADURAI	7
2	VIRUDHUNAGAR	6
3	SIVAGANGAI	6
4	DINDIGUL	5
5	THENI	4
6	COIMBATORE	4
7	RAMANAD	3
8	TENKASI	3
9	TIRUPPUR	3
10	TIRUNELVELI	3
11	KRISHNAGIRI	2
12	ERODE	2
13	THOOTHUKUDI	1
14	SALEM	1
15	NAMAKKAL	1
16	DHARMAPURI	1
17	VILUPPURAM	1
18	NAGARKOIL	1
19	PUDUKOTTAI	1
20	TRICHY	1
21	TANJOVUR	1
22	OOTY	1
23	MAYILADUTHURAI	1

The expansion of showrooms has given us an extra edge in competing and building a strong footing in the state of Tamil Nadu with a strong presence. This also gave us a significant experience in expanding our showroom network, including in new markets.

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.

#### ***Diversified product portfolio across categories and price points***

As of September 30, 2024, our product portfolio comprises over 10,000 jewellery designs, including a wide range of gold, diamond and other jewellery products across different price points. Our products are also sold under single brand Thangamayil comprising of 20 various designs and collections which are registered under the Trademark Act, and under stringent quality control processes, including various official and other tests for different jewellery. Our wide range of product offerings caters to diverse customer segments as one stop shop. In particular, we strive to cater tall segments of the society. Accordingly, our product range, for light and affordable jewellery starts at ₹ 1000 approximately.

Each collection serves customers with different needs and preferences for different designs. Before we enter into a new city, we generally conduct certain market study which is then communicated to the management indicating whether the market is suitable for opening a showroom.

Our registered collections and designs such as Subiksham, Minimini Diamonds (Thangamayil Diamonds for everyone), Sayonee, Omana, Punnagai, BeU, Thanga Mangalyam, Sil-Wear Smile, Kutty smile and Lakshanam. Some third party vendor's brand such as Zillara, Naya, Trendy and Lite Magic (Dazzling Jewellery) are designed

to cater to specific customer niches such as classic jewellery, contemporary jewellery and polka diamonds and precious stones jewellery.

### ***Established Systems and Procedures***

We have established systems and procedures for inventory management, staffing, management processes and the implementation of current and long-term objectives. Our operational processes are set forth below:

#### ***Efficient Inventory Management***

Our inventory for our showrooms is bar-coded and monitored and controlled through our internally developed software. Showroom managers can track the movement of daily sales through reports from business intelligence tools and accordingly place orders for jewellery replenishment. We have developed a brand-based vendor management for ensuring “right in time” supply with the help of successful in-house software developed. Inventory holding cost has come down and a greater confirmation for what goes out is bought back as per merchandise plan is ensured. Our in-house capacity to produce common / traditional/ repetitive items increased that would ensure replacement of sold items from any retail outlets within 24 hours of sale so that more active and supportive inventory management could be strategized.

As part of our inventory management, we also rotate jewellery among different showrooms in an effort to increase inventory turnover and make void accumulation of slow moving stock at certain locations. Our head-office procurement team confirms the order and instructs our vendors and *Karigars* to manufacture as per requirement of the showroom report to fill the gap.

#### ***Strong Technology Architecture***

We have implemented an internally developed software across all showrooms and offices in order to maintain greater control over business operations such as inventory management, accounting, logistics management and customer data storage, amongst others. The software allows for connectivity across all our showrooms and offices and transfers data seamlessly, allowing our management team to obtain updated information. We also have backup support for all systems, and our data base is protected by high security protocol.

#### ***Quality Control***

We stringently follow the hallmarking process for all our jewellery. In addition, most of our diamond jewellery is certified by Solitaire Gemmological Laboratory. Loose diamond stock is regularly accessed for valuation to derive greater transparency to our business.

#### ***Comprehensive Corporate Planning and Budgeting***

We have a well-defined corporate plan as well as an annual budgeting process. The annual budgeting process is designed to achieve functional and divisional goals and profitability for the year. Our annual budget also accounts for new showroom expansion plans and estimated revenue expected to be generated from such new showrooms and rational allocation of expenditure for existing and projected showrooms with a level wise approval process for any expenditure above the budgeted plan. The estimated budget is reviewed every quarter and revised as per the business exigencies.

### ***Experienced Promoter and management team with proven execution capabilities***

Our business is consumer-centric. Our Promoters and Executive Directors Baram Govinda Das, BA. Ramesh and N.B Kumar has over 30 years of experience in the jewellery business and continues to provide strategic insights and overall direction to our business based on their long experience of understanding customer preferences and demands in the industry in which we operate. In addition to our Promoter, our Board is composed of experienced industry and management professionals. This experience and insights helped us in the expansion of our showroom network and developing and managing our online channel.

### **Business Strategies**

#### ***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 South 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 2024 and 2023 our expenditure towards our advertising,

marketing and promotional activities was ₹ 3,645 lakhs and ₹ 3,593 lakhs which and accounted for 0.95% & 1.14% 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.

***Continue to expand our retail network in known territories in a cost-efficient manner by leveraging our Thangamayil brand***

We intend to leverage the scalability of our operations and expertise in developing the branded jewellery market in Tamil Nadu to grow our network in existing and newer geographies. We are currently present in Southern and Western regions of Tamil Nadu and intend to deepen our penetration in these regions and select areas in Chennai Metropolitan Region, where there could be potential for further expansion due to the demand of jewellery in the region. 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, Per capita income of local population, 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.

***Widen our product offerings to further increase our consumer reach and Service Optimisation.***

We intend to continue to increase our focus on value added items such as wedding ranges, studded diamond items, precious stones and silver items going forward as these products have widened the consumer base to which we cater and also typically have a higher gross margin profile than our gold jewellery. We tailor our showrooms to offer prominent displays of diamond and other studded jewellery and, in many cases, have entire floors dedicated to such jewellery. Given this trend, we are continuing to explore opportunities to expand our range of designs and collections and to introduce new branded jewellery lines that are targeted at both specific customer niches as well as the luxury market focused on high-end gold and studded jewellery.

Furthermore, we have recently changed our Marketing strategy from just selling jewellery to service optimisation to consumer. Our company with its long standing into the region aims to protect that and aims to manage operations in a competitive manner by implementing a cost effective strategy which benefits all the stakeholders of the company and specifically to the consumer.

**Our Operations**

Our business operations essentially centre's around sale of jewellery. We conduct our jewellery business under the brand name "Thangamayil". As a part of the jewellery retail trade, majority of ornaments are bought from various dealers across the country. Our Company has also established one manufacturing unit that employ in-house goldsmiths to craft designer jewellery, which are in current trends in the marketplace. The manufacturing division is located in Madurai.

**Showrooms**

We operate through our Showrooms. As on the date of the Draft Letter of Offer, we have 59 showrooms in various cities of Tamil Nadu. For more details of our showroom refer to page no. 66 under "Our Strengths"

**Manufacturing of Products**

We are engaged in the complete value chain of the manufacturing process from designing of jewellery to selling of finished products. In order to manufacture the jewellery sold in our showrooms, we are involved in designing of jewellery, procurement of raw materials and quality control of the finished products received. We engage with and pay making charges and supply gold to *Karigars* who manufacture gold jewellery to either our designs or to designs approved by us.

## **Quality Assurance**

We supported the quality revolution in Madurai by educating the customers about various government-certified quality aspects such as BIS 916 Hallmark. The company also introduced sophisticated machinery to accurately measure the quality and carat value of jewellery. The measurements are scientific and tamper proof, thereby giving the customer an assurance with regards to the quality of jewellery sold. These initiatives have aided the company in building a sound reputation in the minds of customers.

## **Sales and Marketing**

### ***E-commerce***

Our Company has embraced the current trend in e-commerce, securing a foothold in this new trend for retail operations. We have a fast, secure and highly accessible web portal [www.thangamayil.com](http://www.thangamayil.com) which serves as online retail store offering several thousand products, translating the brilliant in-store customer service into an aesthetic and visually-pleasing online user experience.

### ***Marketing***

Our marketing schemes vary as per occasions, seasons and needs of the customer. The marketing activities are either brand driven campaign or sales promotional tactical campaigns. 'Diwali' and 'Dhanteras' are the biggest jewellery buying festivals, during which season our sales and marketing efforts generally spike. We capitalise on 'Akshay Trithiya, Aadi Perukku, Navratri, Dhanteras, Diwali, Pongal and Vasantha Panchami' to promote sales. We also endeavour to build marketing campaigns around the wedding season in India.

Our marketing is done through both print media and electronic media. 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 and YouTube.

### ***Customer services***

With quality and variety taken care of, the company focuses on providing the best possible gold shopping experience to its customers. Aspects such as store location, accessibility, ambience, staff training, etc. are given prime importance to, in the process, providing the customer utmost satisfaction. The company also provides inter-showroom services such as repairing customer's damaged jewellery and exchange facilities, in any of its branches.

## **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.

The company has got a well-defined operative hedging mechanism in place. The company availed gold metal loan from banks at concessional rate of interest besides ensuring a natural hedge on such procurement. Based on our experience and the gold price movement trend, the company has set an internal hedging target of 90:10 (10% of inventory will not be hedged) keeping in mind the performance of the company and its liquidity requirements which was achieved in September 30, 2024.

## **Information Technology**

Our Company has information technology department to deploy technology for retail solutions and to enhance, develop, support and maintain our retail business activity across all our showrooms. Our information technology team tests and maintain our own solutions across the showrooms and end to end application to meet the requirements of Jewellery retail business needs, right from purchase of ornament to sale of it, customer management and inventory handling.

## **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 Titan Company Limited (Tanishq), Kalyan Jewellers, Joyalukkas India Ltd, Malabar Gold and Diamonds, GRT Jewellers, as well as local jewellers and craftsmen, and also from the unorganised sector locally.

## Employees

As of date of the Draft Letter of offer we had 2,445 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
Admin	113
Corporate Spiritual Solutions	11
Directors Office	5
FAA	12
HR	29
IT	31
Management	9
Management Trainee	15
MAS	1,786
MAS - Support	130
SCM	273
Secretarial	4
<b>TOTAL</b>	<b>2,445</b>

## Insurance

We have purchased insurance in order to manage the risk of losses from potentially harmful events, including Bharat Sookshma Udyam Suraksha a package insurance policy covering all the assets related to the business such as building and structure, plant and machinery and stock against fire, burglary, machinery breakdown and, terrorism and other risks. We also have jeweller block insurance policy, public liability insurance policy, directors and officers' liability insurance policy. These insurance policies are reviewed periodically to ensure that the coverage is adequate. Our insurance covers all our showrooms, our Registered and Corporate Office, our Purchase Division and our manufacturing unit.

## Intellectual Property

Our business is largely dependent on the brand name "Thangamayil", which has over the years helped us in building brand equity and customer loyalty. We have 21 Registered trademarks in different classes, with the Registrar of Trademarks, Mumbai as on the date of the Draft Letter of Offer.

## Properties

Our owned registered office, is located at 124 Nethaji Roadmadurai, Madurai 625001, India, while our rented corporate office is located at No.25/6 - Palami Centre, New Natham, Road, Near Ramakrishna Mutt, Madurai 625014 and purchase office at No. 116/8,9, Temple Square, New Ramnad Road, Madurai, Tamil Nadu, 625009 We have one manufacturing facility located at Madurai, Additionally, we have 8 (Eight) owned showrooms and 51 (fifty-one) rented showroom across Tamil Nadu.

## Mergers or amalgamations / disinvestment of business or undertaking

Our Company has not acquired any material business of undertaken any mergers or amalgamations / disinvestment of business or undertaking since incorporation.

## OUR MANAGEMENT

The composition of the Board is governed by the provisions of the Companies Act, 2013, the rules prescribed thereunder, the SEBI LODR Regulations and the Articles of Association. In accordance with the Articles of Association, unless otherwise determined by our Company in the General Meeting, our Company shall not have less than 3 Directors and not more than 12 Directors.

Pursuant to the provisions of the Companies Act, 2013, at least two-thirds of the total number of Directors, excluding the Independent Directors, are liable to retire by rotation, with one-third of such number retiring at each AGM. A retiring Director is eligible for re-election. However, as per Article 181 & 190 of AOA, the managing director/ whole time directors not liable to retirement by rotation. Further, pursuant to the Companies Act, 2013, the Independent Directors may be appointed for a maximum of two consecutive terms of up to five consecutive years each and thereafter have a cooling off period of three years prior to being eligible for re-appointment. Any re-appointment of Independent Directors shall be on the basis of, inter alia, the performance evaluation report and approval by the shareholders of our Company, by way of a special resolution.

The following table provides details regarding the Board of Directors of our Company as of the date of filing the Draft Letter of Offer:

Name, Address, Designation, Occupation, Term, Period of Directorship, DIN and Date of Birth	Age (in years)	Other Directorships
<b>Balarama Govinda Das</b> <b>Address:</b> 1/1A1, Birndavan, New Natham Road, Thiruppalai, Madurai - 625 014. <b>Designation:</b> Managing Director <b>Occupation:</b> Business <b>Term:</b> With effect from December 01, 2022 till November 30, 2027. <b>Period of Directorship:</b> Since May 3, 2001 <b>DIN:</b> 00266424 <b>Date of Birth:</b> 12/04/1956	68	<b>Indian Companies:</b> <ul style="list-style-type: none"> <li>• Thangamayil Gold and Diamond Private Limited</li> </ul> <b>LLPs:</b> NIL
<b>BA Ramesh</b> <b>Address:</b> 1/1A2, Birndavan, New Natham Road, Near Iskcon Temple, Thiruppalai, Madurai - 625 014 <b>Designation:</b> Joint Managing Director <b>Occupation:</b> Business <b>Term:</b> With effect from December 01, 2022 till November 30, 2027 <b>Period of Directorship:</b> Since May 3, 2001 <b>DIN:</b> 00266368 <b>Date of Birth:</b> 10/08/1960	64	<b>Indian Companies:</b> <ul style="list-style-type: none"> <li>• Agrofood Trade Centre</li> <li>• Thangamayil Gold and Diamond Private Limited</li> </ul> <b>LLPs:</b> NIL
<b>N B Kumar</b> <b>Address:</b> 1/1A3, Birndavan, New Natham Road, Thiruppalai, Madurai - 625 014. <b>Designation:</b> Joint Managing Director <b>Occupation:</b> Business <b>Term:</b> With effect from December 01, 2022 till November 30, 2027 <b>Period of Directorship:</b> Since May 3, 2001 <b>DIN:</b> 01511576 <b>Date of Birth:</b> 05/06/1966	58	<b>Indian Companies:</b> <ul style="list-style-type: none"> <li>• Thangamayil Gold and Diamond Private Limited</li> </ul> <b>LLPs:</b> NIL
<b>Yamuna Vasini Deva Dasi</b> <b>Address:</b> 347, North Masi Street, Madurai - 625 001 <b>Designation:</b> Non Executive Director <b>Occupation:</b> Business <b>Term:</b> With effect from July 25, 2024 till July 25, 2029 <b>Period of Directorship:</b> Since February 4, 2015 <b>DIN:</b> 01388187 <b>Date of Birth:</b> 10/02/1957	67	<b>Indian Companies:</b> <ul style="list-style-type: none"> <li>• Balusamy Silvears Jewellery Private Limited</li> </ul> <b>LLPs:</b> NIL

Name, Address, Designation, Occupation, Term, Period of Directorship, DIN and Date of Birth	Age (in years)	Other Directorships
<b>S.M. Chandrasekaran</b> <b>Address:</b> D NO 1/5A, E2E2 Road Frist Street, New Colony, Chinnachokkikulam, Madurai, Tallakulam - 625 002 <b>Designation:</b> Independent Director <b>Occupation:</b> Chartered Accountant <b>Term:</b> With effect from March 14,2020 till March 13,2025 <b>Period of Directorship:</b> Since March 14, 2020 <b>DIN:</b> 08719332 <b>Date of Birth:</b> 01/05/1961	63	<b>Indian Companies:</b> NIL  <b>LLPs:</b> NIL
<b>Rajakumari Jeevagan</b> <b>Address:</b> 2, VP Rathinasamy Nadar Cross Road, Chokkikulam, Madurai, Tallakulam - 625 002 <b>Designation:</b> Independent Director <b>Occupation:</b> Business <b>Term:</b> With effect from September 21, 2020 till September 20, 2025 <b>Period of Directorship:</b> Since September 21, 2020 <b>DIN:</b> 08860956 <b>Date of Birth:</b> 08/02/1960	64	<b>Indian Companies:</b> NIL  <b>LLPs:</b> NIL
<b>N Jegatheesan</b> <b>Address:</b> 35, Aruppukottai, Main Road, Villapuram, Avaniapuram, Madurai - 625 012 <b>Designation:</b> Independent Director <b>Occupation:</b> Business <b>Term:</b> With effect from May 20, 2024 till May 19, 2029. <b>Period of Directorship:</b> Since May 20, 2024 <b>DIN:</b> 01876113 <b>Date of Birth:</b> 25/03/1959	65	<b>Indian Companies:</b> <ul style="list-style-type: none"> <li>• Agrofood Trade Centre</li> <li>• Tamilnadu Chamber of Commerce and Industry</li> <li>• Southern India Chamber of Commerce &amp; Industry</li> <li>• Tamilnadu Chamber Forward Linkage Infra Limited</li> <li>• Agrofood Chamber of Commerce &amp; Industry</li> </ul> <b>LLPs:</b> NIL
<b>K Thirupathi Rajan</b> <b>Address:</b> 3 Balaji Street, MGM Nagar, Avaniyapuram, Bye Pass Road, Madurai - 625 012 <b>Designation:</b> Independent Director <b>Occupation:</b> Business <b>Term:</b> With effect from May 20, 2024 till May 19, 2029 <b>Period of Directorship:</b> Since May 20, 2024 <b>DIN:</b> 02822620 <b>Date of Birth:</b> 03/12/1973	51	<b>Indian Companies:</b> <ul style="list-style-type: none"> <li>• Agrofood Trade Centre</li> <li>• Asian Consumables India Private Limited</li> <li>• Tamilnadu Chamber Forward Linkage Infra Limited</li> <li>• Agrofood Chamber of Commerce &amp; Industry</li> <li>• AL Ashwin India Sourcing Limited</li> </ul> <b>LLPs:</b> <ul style="list-style-type: none"> <li>• Agrimine Products LLP</li> <li>• Glovel Matches LLP</li> <li>• Raj Exim Consumables India LLP</li> <li>• Bizcoverindia.Com LLP</li> </ul>

#### Confirmations

None of our Directors is or was a director of any listed company during the five years preceding the date of filing of the Draft Letter of Offer, whose equity shares have been or were suspended from being traded on any stock exchange, during the term of their directorship in such company.

None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange, during the term of their directorship in such company, in the last ten years immediately preceding the date of filing of the Draft Letter of Offer.

**The names of the Key Managerial Personnel / Senior Management Personnel are as under:**

<b>S. No.</b>	<b>Name of KMP/ SMP</b>	<b>Designation</b>
1.	Balarama Govinda Das	Managing Director
2.	BA Ramesh	Joint Managing Director
3.	N B Kumar	Joint Managing Director
4.	B. Rajesh Kanna	CFO
5.	V Vijayaraghavan	Company Secretary & Compliance Officer

## FINANCIAL INFORMATION

<b>Particulars</b>	<b>Page No.</b>
Audited financial statements for the financial year ended March 31, 2024	F - 1
Unaudited limited reviewed financial statements for the six months period ended September 30, 2024	F - 48

## **OTHER FINANCIAL INFORMATION**

### **Related Party Transactions**

For details of the related party transactions, as per the requirements under applicable Indian Accounting Standards, i.e., Ind AS - Related Party Disclosures, entered into by our Company for Fiscal 2024 and Fiscal 2023, see “Financial Statements - Note 34: Related Party Transaction” on page F-37.

## 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 the "Financial Information" on page 75. Unless otherwise indicated or the context requires, the financial information for Fiscal 2024 and Fiscal 2023 included herein is derived from our Audited Financial Statements, as of and for the year ended March 31, 2024 and 2023.*

*Our Audited Financial Statements as of and for the year ended March 31, 2024 and 2023 in the Draft Letter of Offer have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, and the SEBI ICDR Regulations, each as amended. These financial statements may differ in certain significant respects from generally accepted accounting principles in other countries, including IFRS and U.S. GAAP. Our Company's financial year commences on April 1 and ends on March 31 of the subsequent year, and references to a particular Fiscal are to the 12 months ended March 31 of that year.*

*Some of the information in this section, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" on page 12 for a discussion of the risks and uncertainties related to those statements. You should also read the sections "Risk Factors", "Financial Information" and "Our Business" on pages 19, 75 and 65, 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. Prospective investors in the Equity Shares are cautioned not to place undue reliance on these forward-looking statements.*

*Unless otherwise specified or the context requires, references in this section to the "Company" or the "Issuer" are to Thangamayil Jewellery Limited on a standalone basis, and references to "Group", "we", "us" or "our" are to Thangamayil Jewellery Limited.*

In 2024, the Indian jewellery market was valued at approximately USD 89.65 billion. This significant figure highlights the market's robust nature in a country where jewellery holds substantial cultural, emotional, and financial value. Gold, including variations like pink gold and blush gold, remains the cornerstone of this market.

The sector is projected to grow at a compounded annual growth rate (CAGR) of 5.7% over the next decade, reaching about USD 124.70 billion by 2030. This growth reflects the expanding middle class, increasing disposable incomes, and a strong inclination towards gold and diamond jewellery as part of cultural and marriage-related traditions.

Diamond jewellery, particularly popular in bridal segments, is expected to see a higher growth rate of 6.6% from 2024 to 2030. The rise in demand is further supported by a consumer shift towards luxury and branded jewellery, and economic factors like increased urbanization and rising GDP per capita. With a young median age of around 27 years, the demographic is driving demand in bridal and fashion jewellery segments. The future of India's jewellery market looks promising with the integration of technology in sales and production.

Online sales channels are growing rapidly, projected to expand at over 8% CAGR, indicating a shift towards digital consumer habits. Despite offline stores dominating with over 85% of sales, online channels are gaining traction due to increased consumer trust and the convenience of digital shopping. Major industry players are enhancing their online presence, using websites for promotions and engaging customers through social media and digital ads. Technologies like augmented reality offer virtual try-ons, enhancing the online shopping experience. However, challenges such as ensuring authenticity and managing returns are critical to gaining wider consumer trust. As e-commerce platforms continue to evolve, the online jewellery market in India is poised for significant expansion, promising a larger market share in the coming years.

As of the first quarter of 2024, the gold market has demonstrated notable dynamics in both demand and supply. Mine production has increased by 4% year-on-year to 893 tonnes, setting a record for the first quarter. This rise in production is accompanied by a significant 12% increase in recycled gold, which reached 351 tonnes, marking the highest recycling supply since the third quarter of 2020. This increase in recycling is largely a response to higher gold prices.

On the demand side, various sectors showed different levels of activity. Jewellery fabrication demand stood at 535 tonnes. Investment in physical gold bars and coins remained robust, though there was a noticeable decline in investment through exchange-traded funds (ETFs) and similar products, reflecting a mixed sentiment among investors. The overall investment demand decreased by 28% compared to the previous year, mainly due to reduced purchases in ETFs, despite the steady demand for physical gold items.

The spot price of gold, as reported at the end of April 2024, remains high, underlining the strong and continuous demand. This price strength is partly driven by significant purchases by central banks and resilient consumer demand across various markets. Central bank buying, in particular, has been a consistent source of demand, although it fell short of the previous year's record pace.

## **ECONOMIC OVERVIEW**

The global economy has been characterized by a rocky recovery, grappling with financial sector turmoil, continued high inflation, and geopolitical disruptions. The International Monetary Fund (IMF) notes a reduction in global growth forecasts, with expected growth falling to 2.8% in 2023 from 3.4% in 2022, before a slight recovery to 3.0% in 2024. Advanced economies are particularly impacted, with growth projections significantly reduced. Amidst these economic conditions, gold prices surged to record highs, reflecting its enduring status as a safe haven. The World Gold Council highlighted an 8% increase in the average price of gold in 2023 over the previous year, underscoring gold's appeal during times of economic uncertainty.

In India, the economy has demonstrated considerable resilience, buoyed by strong domestic demand and robust growth in sectors like manufacturing and construction. Despite a global downturn, India's GDP growth remained strong, supported by a revival in private consumption and significant industrial production. However, government spending saw a contraction which offset some of the gains in other areas of the economy.

In India, the jewellery market has seen mixed impacts. While investment in gold through ETFs saw substantial inflows, suggesting a strong investment demand, the physical gold jewellery market experienced weaker demand in the first quarter of 2024 compared to the previous year. This was primarily due to high local gold prices which dampened consumer enthusiasm for jewellery purchases. Additionally, economic fluctuations and higher customs duties on gold imports contributed to shifts in market dynamics.

The seasonal patterns of gold buying related to cultural and agricultural cycles continued to play a critical role in India. Festivals like Diwali and Akshaya Tritiya, Aadi Utsav (Aadi 18) and Basant Panchami along with the wedding season, stimulated gold purchases, although the volumes were affected by the high price levels. The demand for gold jewellery in rural areas, closely linked to the agricultural harvest seasons, underscores the sector's dependence on broader economic and environmental factors.

The gold and jewellery industry globally and in India has navigated through a complex economic landscape shaped by inflation, geopolitical issues, and domestic economic policies. While gold remains a critical asset in times of uncertainty, the jewellery sector faces challenges that require adjustments to new economic realities and consumer behaviours.

## **MARKET SEGMENTATION**

The Indian gold and jewellery market is segmented based on various product types, materials, and consumer demographics, reflecting a rich diversity in offerings and consumer preferences. Necklaces and rings dominate the product segment, with necklaces accounting for a significant revenue share due to their popularity across various styles and demographics. Rings, particularly valued for their cultural significance in engagements and weddings, are seeing growth with increasing demand for personalized options.

Gold remains the most widely used material, cherished for its cultural, emotional, and financial value, with innovative variants like blush and pink gold emerging. The diamond segment is also notable, especially in bridal jewellery, with expected growth driven by its essential role in marriage engagements.

Women are the primary consumers, though the market for men's jewellery is expanding, including products like rings, pendants, and bracelets, reflecting broader fashion trends and a shift towards high-end items. Regionally, the market varies, with South India known for its diamond cutting and intricate gold jewellery, while West India benefits from robust infrastructure like Surat's diamond cutting and polishing facilities.



The market faces challenges such as price fluctuations in precious metals and international competition, particularly from countries like China. However, opportunities abound with the adoption of new technologies and expansion into innovative product lines and markets.

## **CHALLENGES IN MARKET POSITIONING**

The Indian gold and jewellery industry is navigating several significant challenges in its market positioning. Economic volatility and regulatory changes, such as fluctuations in gold prices and adjustments in customs duties, directly impact the cost structure and demand within the sector. Additionally, the industry faces stiff competition from global markets, particularly from countries like China, where lower labour costs and improving craftsmanship make them formidable competitors. Changing consumer preferences, especially among the younger demographic who favour luxury items like diamonds and platinum, require domestic jewellers to adapt their offerings and marketing strategies to remain relevant. The integration of technology in manufacturing and retailing is also crucial, with innovations such as virtual reality and online sales platforms becoming increasingly important for engaging customers and streamlining operations. Moreover, the COVID-19 pandemic has significantly affected consumer spending on nonessential items and disrupted traditional retail channels, although recovery is underway with the help of digital sales and enhanced online customer experiences. To effectively overcome these challenges, Indian jewellers need to focus on product diversification, embrace technological advancements, and improve operational efficiencies.

## **MONSOON**

The impact of the monsoon on the gold and jewellery industry in India is closely tied to agricultural productivity, as a significant portion of gold demand in the country comes from rural areas where the economy is largely dependent on agriculture. In 2024, the Indian Meteorological Department (IMD) has predicted a normal monsoon season, which generally bodes well for agricultural yields and, consequently, for gold purchases. A good monsoon leads to a prosperous harvest, increasing the disposable income among rural populations, who are likely to invest in gold, a traditional asset.

However, despite the forecast for normal rainfall, certain areas experienced below-normal rains in 2024 due to El Niño conditions, which could affect the agricultural output and thus potentially dampen the usual post-monsoon surge in gold buying. The fluctuating conditions, such as transitioning El Niño to neutral and the variable regional rainfall, can introduce some uncertainty in predicting the exact impact on gold sales for the coming months.

Moreover, the broader economic context, including global market trends and domestic economic policies, continues to play a significant role in shaping the gold market dynamics in India, influencing both price and demand beyond just the agricultural linkage.

## **CHANGES IN LIFESTYLE**

The gold and jewellery industry in India is undergoing significant transformations due to changes in lifestyle and consumer preferences. The entry of international luxury brands has shifted buying behaviours, particularly among the younger population who increasingly favour platinum and diamond jewellery as luxury items. This trend is challenging domestic players to enhance their offerings in design, quality, and aesthetics to compete on a global scale. Concurrently, the rise of online retail is reshaping sales strategies, with a marked increase in the use of digital platforms for marketing and transactions. This digital shift caters to a tech-savvy consumer base, demanding convenience and personalized shopping experiences. Despite these changes, traditional gold jewellery continues to hold significant cultural importance, particularly during festivals and weddings, but there is a noticeable trend towards modern designs and materials to appeal to diverse consumer tastes.

### **Risk associated with business and mitigation plans**

To mitigate the adverse impact, TMJL has spearheaded certain tangible initiatives like adoption of technology to the hilt, high value product diversification like studded items, MRP, third party branded items in the portfolio etc. It has also directed its resources to improve efficiency & productive matrix to improve the performance on a sustainable basis.

The monsoon impact is limited to agricultural income based customers profile. There are two seasons for harvesting in Indian terrain, if one harvest failed, there is a likelihood that next one will give bountiful yields in agricultural activities. Other than the agri based customers, a lot of income is generated out of service sector engagement and also external remitters from natives employed outside the hometown. For the reasons stated

above, TMJL does not find it difficult to manage the vagaries of monsoon. This aspect is well captured in the last five years of growth in the company.

Fortunately for TMJL, being a regional player though the trend is shifting to other discretionary consumer spends, it has not affected the local demand for jewellery. State of Tamilnadu is the largest consumer for gold in the entire country. Household savings is applied more on gold for traditional and cultural reasons besides time tested social compulsions connected with weddings. Going forward, shift can be made to less weight gold ornaments to take the heat out of ever increasing gold price impact on sales.

#### **Economic risk**

Economic slowdown can affect the demand and the sales for the company. Mitigation: The Company has a diversified product portfolio that generates robust sales from either category to balance any uncertain circumstances. The present Indian economy is quite strong as commodity prices have been stable. Since jewellery industry is always associated with wedding and other traditional occasions and demand for jewellery remain constant.

#### **Competition risk**

Increasing competition from new entrants as well as existing ones. Mitigation: The Company manufactures quality products and better services and offers that at a reasonable price to reach people through communications via different media. It undertakes extensive promotion and advertising to create value, positioning and recall for the power brands.

#### **Margin risk**

Lack of control over the cost, may lead to lower profitability and can impact future growth prospects. The centralised procurement policy, by which our team anticipates stock requirement and make bulk purchases at the time when gold price is low. The economies of scale and correct procurement timing enable the company to significantly reduce the cost of the raw material. The company procures a certain quantum of gold on lease from banks and purchases gold on daily basis on the actual sale made by it. This strategy safeguards the company from gold price fluctuation.

#### **Gold price fluctuation risks**

Gold price fluctuation risk could arise on account of frequent changes in gold prices either up or downside momentum. It could have adverse impact on earnings. We are maintaining our inventory price hedging around 89:11 basis. This will help the company with any gold price fluctuation. Your Board will take appropriate action in managing the fluctuation impact in gold price movement from time to time.

#### **Change in Government Policies**

New government regulations pertaining to taxation and banking stringent norms will affect the demand and supply chain.

Your company with help of well-experienced IT and managerial personnel, the implications of all these regulations are clearly analysed, interpreted and necessary compliance measures are undertaken. Human Resources Employee attrition may affect the operation of the Company. Mitigation: The Company encourages new talent and provides specialised training to the sales force to ensure the roots are grounded well, improving the performance standards, improving incentive scheme to the employees and positively contribute towards growth of the company.

#### **Seasonal Risk:**

Sluggish sales of products due to seasonal changes may affect profitability of the Company. Mitigation: The wide ranged designed product profile and customized product will help against the seasonal ups and downs.

#### **Compliance risk**

Non-compliance of regulations may raise the operation risk for the Company.

Mitigation: The Company has a structured internal control system in place to ensure all statutory rules and regulations are met including changes in taxation and other regulatory framework.

#### **Cost management**

The Company is improving meticulously its focus on cost through a resourceful operating system, increase in the production capacity and strengthening of manufacturing units and various sourcing points are being pursued to reduce manufacturing costs and also delivering quality product at lower price. Logistics facilities are strengthened. Synergy optimization in various cost components is achieved.

Internal control systems and their adequacy The Company has in place adequate system of internal control. It has documented procedures covering all financial and operating functions. These controls have been designed to provide a reasonable assurance with regard to maintaining of proper accounting controls, monitoring of operations, protecting assets from unauthorized use or losses, compliances with regulations and for ensuring reliability of financial reporting. The Company has continued its efforts to align all its processes and controls with global best practices in these areas as well.

Some significant features of the internal control systems are:

- Documenting Major Business Processes including financial reporting, Computer Controlling, Security Checks and Top Committee level Plans
- A comprehensive information security policy and continuous upgrades to IT system
- Audit Committee of the Board of Directors, comprising independent directors, which is functional since October 2007, regularly reviews the audit plans, significant audit findings, adequacy of internal controls, compliance with Accounting Standards, as well as, reasons for changes in accounting policies and practices, if any.
- A well established multi-disciplinary Internal Audit team, which reviews and reports to management and the Audit Committee about the compliance with internal controls and the efficiency and effectiveness of operations and the key process risks
- Monthly meeting of the top management committee to review operations and plans in key business areas
- Corporate policies on accounting and major processes.
- Well-defined processes for formulating and reviewing annual and long term business plans.
- Preparation and monitoring of annual budgets for all trading activities.
- Having introduced and continually upgraded, improved and fine-tuned state of the art Enterprise Resource Planning (ERP) since August 2008, supplier Relations Management and Customer Relations Management, to connect its different locations, dealers and vendors.

#### **Anti-fraud programme**

The Board takes responsibility for the total process of risk management in the organization. The Audit Committee reviews reports covering operational, financial and other business risk areas. Taking into Consideration the high risk associated with this business, the organization and management have taken necessary measures towards achieving an environment free of fraud. This is also facilitated by internal audit. The business risks are managed through cross functional involvement and intense communication across businesses. Results of the risk assessment and residual risks are presented to the senior management.

#### **Information Technology**

Thangamayil Jewellery Limited has a jewellery retail-based information technology savvy department deploying the best retail solutions in the market to enhance, develop, support and maintain our retail business activity across all our showrooms.

Thangamayil has developed an information technology team to test and maintain our own solutions across the showrooms. As a base platform for our ERP we used SAP Business One solution across the showrooms. End to end application to meet the requirements of Jewellery retail business needs, right from purchase of ornament to sale of it, customer management and inventory handling.

Thangamayil jewellery E-commerce is a first of its kind in online jewellery retail segment with an in-store experience of selling 22kt gold ornaments, silver articles, diamond and platinum jewels. The in-store experience to a customer is to view more variety ornaments on every online visit (not a confined catalogue) with the store price. The ornaments are real photographed pictures with exact product details and real time priced based on the market rate of gold and silver.

#### **Human resources & industrial relations**

The Company's Human Resources philosophy is to establish and build a strong performance and competency driven culture with greater sense of accountability and responsibility. The Company has taken pragmatic steps for strengthening organizational competency through involvement and development of employees as well as installing effective systems for improving the productivity, equality and accountability at functional levels.

With the changing and turbulent business scenario, the Company's basic focus is to upgrade the skill and knowledge level of the existing human assets to the required level by providing appropriate leadership at all levels

motivating them to face the hard facts of business, inculcating the attitude for speed of action and taking responsibilities.

In order to keep the employees skill, knowledge and business facilities updated, ongoing in house and external training is provided to the employees at all levels. The effort to rationalize and streamline the work force is a continuous process. The industrial relations scenario remained harmonious throughout the year.

**Note: Forward looking statements embedded in the Management Discussion and Analysis above is based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.**

## CHANGES IN ACCOUNTING POLICY

There has been no change in our accounting policies during the Fiscals 2024 and 2023.

## NON-GAAP MEASURES

EBITDA, EBITDA Margin, Net Worth, Return on Net Worth, Net Asset Value per Equity Share, Cost of Goods Sold, Cost of Goods Sold as a percentage of revenue from operations and Operating Cashflow to EBITDA (together, "Non-GAAP Measures"), presented in this Letter of Offer are a supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, IFRS, US GAAP or any other GAAP. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, IFRS, US GAAP or any other GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, IFRS, US GAAP or any other 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 their 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 or financial performance.

### Reconciliation of non-GAAP measures

Particulars	Six months period ended September 30, 2024 *	Fiscal	
		2024	2023
Revenue from operations	2,39,843	3,82,678	3,15,255
Less: Wholesale	8,900	13,600	27,600
Retail Sales	2,30,900	3,69,100	2,877
Comprising of			
- Gold jewellery	2,12,300	3,37,300	2,62,200
- Non gold (silver, diamonds and other products)	18,600	31,800	25,500
Non gold sale as %age of retail sale	8.06%	8.62%	8.86%
Cost of goods sold	2,20,247	3,40,396	2,81,641
Cost of goods sold as a percentage of revenue from operations (in %age)	91.83%	88.95%	89.34%
Reported EBITDA	8414	21800	15600
Add / (Less): Inventory Loss / (Gain)	3300	(3500)	(4200)
Add / (Less): Hedging Loss / (Income)	2600	1600	1800
Adjusted EBITDA	14300	19900	13200
EBITDA as %age to Revenue from operations	3.51%	5.69%	4.96%
Adjusted EBITDA as %age of retail sale	6.19%	5.39%	4.59%
Net profit after tax (%age)	1.63%	3.22%	2.53%
Average Return on Equity	15.50%	27.95%	22.37%

Particulars	Six months period ended September 30, 2024 *	Fiscal	
		2024	2023
Average return on capital employed	10.05%	15.97%	14.52%
Inventory turnover	3.65	3.52	3.64
Debt to Equity ratio	1.87	1.84	2.01
Debt Service Coverage Ratio	14%	36%	22%

\* Not annualised

## RESULTS OF OPERATIONS

The following table sets forth certain selected financial information from the statement of profit and loss with respect to our results of operations for the six months ended September 30, 2024 and Fiscal 2024 and Fiscal 2023, the components of which are also expressed as a percentage of our total income for such periods.

Particulars	(₹ in lakhs)			
	Audited for financial year ended March 31, 2024		Audited for financial year ended March 31, 2023	
	Amount	%age	Amount	%age
<b>INCOME:</b>				
I Revenue from operations	3,82,678	99.86%	3,15,255	99.89%
II Other income	541	0.14%	335	0.11%
<b>III Total Income (I+II)</b>	<b>3,83,219</b>	<b>100.00%</b>	<b>3,15,590</b>	<b>100.00%</b>
IV. Expenses:				
Cost of Materials consumed	3,43,216	89.56%	2,73,003	86.51%
Changes in inventories of finished goods, Work in progress and stock in trade	-2,820	-0.74%	8,638	2.74%
Manufacturing expenses	5,403	1.41%	3,891	1.23%
Employee benefits expense	6,818	1.78%	5,842	1.85%
Finance costs	3,633	0.95%	3,492	1.11%
Depreciation and amortization expense	1,636	0.43%	1,339	0.42%
Other expenses	8,825	2.30%	8,591	2.72%
<b>Total expenses</b>	<b>3,66,711</b>	<b>95.69%</b>	<b>3,04,796</b>	<b>96.58%</b>
<b>V. Profit before (III-IV)</b>	<b>16,508</b>	<b>4.31%</b>	<b>10,794</b>	<b>3.42%</b>
VI Tax expense:				
(1) Current tax	4,207	1.10%	2,864	0.91%
(2) Adjustment of tax relating to earlier period	-	0.00%	79	0.03%
(3) Deferred tax	(23)	-0.01%	(123)	-0.04%
<b>Total Tax Expense</b>	<b>4,183</b>	<b>1.09%</b>	<b>2,820</b>	<b>0.89%</b>
<b>VII Profit for the period (VII-VIII)</b>	<b>12,324</b>	<b>3.22%</b>	<b>7,974</b>	<b>2.53%</b>

### Comparison of financial year ended March 31, 2024 to financial year ended March 31, 2023

#### Revenue

##### Total Revenue

Our total revenue increased by 21.43% to ₹ 3,83,219 lakhs in the Fiscal 2024 from ₹ 3,15,590 lakhs in the Fiscal 2023. The said growth has been on account of mix of both, overall same store growth, opening of new stores.

##### Revenue from Operations

Revenue from operations increased by 21.39% to ₹ 3,82,678 lakhs in the Fiscal 2024 from ₹ 3,15,255 lakhs in the Fiscal 2023. The said growth has been on account of mix of both, overall same store growth, opening of new stores.

##### Other Income

In the Fiscal 2024, other income aggregated to ₹ 541 lakhs as compared to ₹ 335 lakhs for the Fiscal 2023 which shows an increase of 61.49% primarily on account of increase in interest income on fixed deposits.

## ***Expenditure***

### *Cost of Material Consumed, changes in inventories of finished goods & work in progress and manufacturing expenses*

The aggregate cost of material consumed, changes in inventories of finished goods & work in progress and manufacturing expenses in Fiscal 2024 was ₹ 3,45,799 lakhs representing 90.24% of the income from operations compared to ₹ 2,85,532 lakhs in Fiscal 2023 representing 90.48% of the value of sale of products. The cost of material consumed and changes in inventory of finished foods and work in progress has been nearly the same with minor improvement.

### *Employee benefit expense*

Our employee benefit expenses during the Fiscal 2024 was ₹ 6,818 lakhs comprising of salaries wages, bonus and allowances representing 1.78% of the total income vis-à-vis ₹ 5,842 lakhs aggregating to 1.85% during the Fiscal 2023.

### *Finance costs*

For the Fiscal 2024, the interest paid on bank borrowings was ₹ 3,633 lakhs aggregating to 0.95% of the total income. During the Fiscal 2023, the interest paid on bank borrowings was ₹ 3,492 lakhs aggregating to 1.11% of the income.

### *Depreciation and Amortisation*

Our depreciation and amortization expense during the Fiscal 2024 was ₹ 1,636 lakhs aggregating to 0.43% of the total income and during the Fiscal 2023 was ₹ 1,339 lakhs aggregating to 0.42% of the total income.

### *Other Expenses*

The other expenses increased by 2.72% to ₹ 8,825 lakhs in the Fiscal 2024 (representing 2.30% of the total income) as compared to ₹ 8,591 lakhs in the Fiscal 2023 (representing 2.72% of the total income) due to increase in overall business. However the expenses as percentage to the total income has reduced with improvement in operating efficiency.

### *Profit before Tax*

Profit before tax for the Fiscal 2024 was ₹ 16,508 lakhs, which is about 4.31% of the total income against the profit before tax for the Fiscal 2023 of ₹ 10,794 lakhs, which was about 3.42% of the total income during such period. The profit before tax was higher due to the improvement in business operations and increase of revenue of the Company.

### *Tax Expenses*

The total tax liability was ₹ 4,183 lakhs during the Fiscal 2024, which was about 1.09% of the total income as against ₹ 2,820 lakhs during the Fiscal 2023, which was about 0.89% of the total income during that period

### *Profit after Tax*

For the various reasons discussed above, we recorded a profit after tax of ₹ 12,324 lakhs during the Fiscal 2024 as against ₹ 7,974 lakhs during the Fiscal 2023.

## **Significant Developments after March 31, 2024 that may affect our future results of operations**

No circumstances have arisen since March 31, 2024, the date upto which the last financial statements have been audited, that could materially and adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

## OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except as stated below there are no outstanding (i) criminal proceedings involving our Company, Directors, or Promoters (“**Relevant Parties**”); (ii) actions by statutory or regulatory authorities involving the Relevant Parties; (iii) outstanding claims relating to direct and indirect taxes involving the Relevant Parties; and (iv) other pending litigation involving the Relevant Parties as determined to be material by our Board pursuant to the Materiality Policy (as disclosed herein below). Further, except as stated in this section, there are no disciplinary actions including penalties imposed by SEBI or stock exchanges against our Promoter in the last three Financial Years including any outstanding action.

For the purposes of (iv) above, our Board has adopted a resolution dated May 20, 2024, under which pending litigation, involving the Relevant Parties would be considered ‘material’ if the monetary amount of claim by or against the entity or person in any such pending proceeding is in excess of ₹ 402.53 lakhs (Indian Rupees Four Crores Two Lakhs Fifty-Three Thousand) (“**Material Threshold**’) and where the amount is not quantifiable, such pending cases are material from the perspective of the company’s business, operations, prospects or reputation (“**Materiality Policy**”).

Our Company has no subsidiary as on the date of the Draft Letter of Offer.

For the purposes of the above, pre-litigation notices received by the Relevant Parties from third parties (excluding those notices issued by statutory or regulatory or taxation authorities) have not and shall not, unless otherwise decided by our Board, be considered material until such time that any of the Relevant Parties, is impleaded as a defendant in litigation before any judicial or arbitral forum.

Our Company, our Promoters and/or our Directors, have not been declared as wilful defaulters by the RBI or any governmental authority, have not been debarred from dealing in securities and/or accessing capital markets by the SEBI and no disciplinary action has been taken by the SEBI or any stock exchanges against our Company, our Promoters or our Directors, that may have a material adverse effect on our business or financial position, nor, so far as we are aware, are there any such proceedings pending or threatened.

Further, in accordance with the Materiality Policy, our Company has disclosed outstanding litigations which breach the Material Threshold, in the manner set out hereafter.

Unless otherwise stated, all proceedings are pending as of the date of the Draft Letter of Offer. All information provided below is as of the date of the Draft Letter of Offer.

### I. Litigations Involving our Company

#### A. Proceedings involving issues of moral turpitude or criminal liability

As on the date of the Draft Letter of Offer, there are no proceedings involving issues of moral turpitude or criminal liability against our Company.

#### B. Civil proceedings where the amount involved is equivalent to or in excess of the materiality threshold

As on the date of the Draft Letter of Offer, there are no material civil litigations by / against our Company.

#### C. Tax proceedings where the amount involved is equivalent to or in excess of the materiality threshold

As on the date of the Draft Letter of Offer, the Company is involved into following material tax related proceedings:

Cate title & brief background of the Case	Demand (in ₹)	Date of last hearing
Case Ref. No.: F.NO.INV/DGGSTI/CoZU/M/35//2018-CE  Vide its notice dated June 26, 2020, the Additional Director General, Coimbatore Zonal Unit asked the Company to explain the non-payment of central excise duty on branded	5,47,58,244/-	Last order passed on December 15, 2022

Case title & brief background of the Case	Demand (in ₹)	Date of last hearing
<p>gold coins and silver articles which was first indicated by the Madurai Regional Unit of Directorate General of GST, to which the Company responded that the Company, in its business, has been utilising the CENVAT Credits available to it. The said finding of the Directorate General lays down that the Company did not adhere to the relevant requirements of the CENVAT Credit Rules, 2004, which monitor the utilization of the CENVAT Credits, nor did it comply with any of the options available under Rule 6(3) of the same rules. As such, it was alleged that the Company had utilized its CENVAT Credits for both dutiable as well as exempt goods. The Directorate General imposed a penalty of Rs. 12,52,71,193/- upon the Company. The Company appealed the said order before the Commissioner of GST and Central Excise, and, in line with its earlier argument, contested the claims of the authorities arguing that the CENVAT credit that it had utilized adhered to the limit of credit allowed to it, which argument was not found to be tenable by the Commissioner of CGST and Central Excise.</p> <p>The Commissioner of CGST and Central Excise reduced the total penalty to Rs. 5,47,58,244/- plus applicable interest vide its order dated November 30, 2022. This order has since been appealed by the Company to the Commissioner of Appeals (Customs) on January 31, 2023 and is sub-judice.</p>		
<p>Case Ref. No.: ITBA/AST/S/143(3)/2021-22/1032639320(1)</p>	8,57,58,480/-	Last order passed on April 23, 2021.
<p>Vide order number ITBA/AST/S/143(3)/2021-22/1032639320(1) dated April 23, 2021 of the Income Tax Department for the assessment year 2018-19, the Company had in its Income Tax Return, declared total income as Rs. 14,28,12,990/-, which was revised to Rs. 15,49,43,490/- on the assessment of Income Tax Returns filed by the Company. The Income Tax Department vide the aforementioned assessment order held that the methodology of the Company to compute the loss on melting of gold is wrong and does not hold substance since no prudent jeweller would use a method that leads to loss of stock and high melting costs as was being used by the Company. Thus, the total income for the said assessment year was increased by the Income Tax Department by Rs. 23,69,60,442/- to a total of Rs. 39,19,03,932/- for the purpose of assessing tax liability.</p> <p><b>This order has been appealed by the Company before the Commissioner of Income Tax (Appeals)- 1, Madurai on May 22, 2021 and is sub-judice.</b></p>		
<p>Case Ref. No.: ITBA/AST/S/143(3)/2019-20/1021795257(1)</p>	5,90,59,253/-	Last order passed on December 06, 2019
<p>Vide order number ITBA/AST/S/143(3)/2019-20/1021795257(1) dated December 06, 2019 of the Income Tax Department for the assessment year 2017-18, the Company had in its Income Tax Return, declared total income as Rs. 20,64,53,588/-, which was revised to Rs. 41,23,56,179/- on assessment of Income Tax Returns filed by the Company. The Income Tax Department vide the aforesaid assessment order, held that the methodology of the Company to compute the loss on melting of gold is wrong, and does not hold substance since no prudent jeweller would use a method that leads to loss of stock and high melting costs</p>		



Cate title & brief background of the Case	Demand (in ₹)	Date of last hearing
<p>as was being used by the Company. Thus, the total income for the said assessment year was increased by the Income Tax Department by Rs. 20,59,02,591/- to a total of Rs. 41,23,56,179/- for the purpose of assessing tax liability.  <b>This order has been appealed by the Company before the Commissioner of Income Tax (Appeals)- 1, Madurai on January 02, 2020 and is sub-judice.</b></p>		
<p>Case Ref. No.: W.P.(MD) No.9972 of 2024</p> <p>Vide the notice number ITBA/AST/S/156/2023-24/1063648597(1) dated March 29, 2024 the Income Tax Department for the assessment year 2022-23 alleged that the Company in its return of income declared its total income as Rs. 56,07,41,670/-, which was lower as per the assessment of the Income Tax Department. This view of the tax authority was based on their assessment that the value of old gold jewellery purchased by the Company was shown at a higher price, i.e., Rs. 581,88,75,774/-.</p> <p>Therefore, it was observed that the Company had under-reported its income by Rs. 72,09,69,942/-. The Company was ordered to pay penalty of Rs. 70,17,53,440/-.</p> <p>On appeal by the Company the said penalty order was stayed by the Tamil Nadu High Court vide stay order dated April 24, 2024. The said stay order was extended vide order of the said High Court dated October 25, 2024.</p> <p>The matter has been stayed till further orders of the High Court vide its order dated December 11, 2024.</p>	70,17,53,440/-	Judgement Reserved on December 11, 2024.

**D. Proceedings before regulatory authorities involving material violations of statutory regulations**

As on the date of the Draft Letter of Offer, there are no proceedings before regulatory authorities involving material violations of statutory regulations against our Company.

**E. Matters involving economic offences where proceedings have been initiated**

As on the date of the Draft Letter of Offer, there are no Matters involving economic offences where proceedings have been initiated against our Company.

**F. Other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position**

As on the date of the Draft Letter of Offer, there are no Other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company.

## GOVERNMENT AND OTHER APPROVALS

Our Company has obtained the requisite license to undertake the present business activities. However the said no objection / registration is still pending:

1. As of the date of the Draft Letter of Offer, our Company is in the process of making application for grant of fire no objection certificate for our showrooms.
2. vide amendment to the Tamil Nadu Shops and Establishments Rules, 1948 notified on July 02, 2024, the employer of every establishment in existence on the date of commencement of the Tamil Nadu Shops and Establishments (Amendment) Act, 2018 shall furnish online, through the designated web portal of the Labour Department, details of the establishment in specified form to the Inspector of the area in which the establishment is located. The said amendment has not specified any timelines within which the establishment has to make such application. Our Company is in the process of making such application with the Labour Department.

Registrations required for New Stores, proposed to be funded through the proceeds of the Issue:

In relation to this proposed Object, we are required to obtain certain approvals and/or licenses, which are routine in nature, from certain governmental or local authorities, which include registration of our stores under the shops and establishments legislations of the state, fire no objection certificate, GST, certification under Standard Weights and Measures, etc. will be applied post installation of all equipments in each of the proposed New Store where they are located. We will apply for such approvals, as applicable, in the ordinary course and in accordance with applicable laws. None of these approvals are material which may impact the commencement of operations of the stores and are granted in routine course.

### **Material Developments**

No material developments have occurred since the date of the last balance sheet i.e., March 31, 2024, which materially or adversely affect or are likely to affect: (a) the operations or the profitability of the Company; or (b) the value of its assets; or (c) its ability to pay its liabilities in the next 12 months; or (d) its performance and prospects.

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Issue

The Issue has been authorised by a resolution of our Board of Directors passed at its meeting held on September 26, 2024 pursuant to Section 62(1)(a) and other applicable provisions of the Companies Act, 2013.

The Draft Letter of Offer has been approved by our Right Issue Committee pursuant to its resolution dated [●]. The terms and conditions of the Issue including the Rights Entitlement, Issue Price, Record Date, timing of the Issue and other related matters, have been approved by a resolution passed by the Right Issue Committee at its meeting held on [●].

The Right Issue Committee, in its meeting held on [●], has resolved to issue the Rights Equity Shares to the Eligible Equity Shareholders, at ₹ [●] per Rights Equity Share (including a securities premium of ₹ [●] per Rights Equity Share) aggregating up to ₹ [●] lakhs\* and the Rights Entitlement as [●] ([●]) Rights Equity Share for every [●] ([●]) fully paid-up Equity Shares, held as on the Record Date. The Issue Price has been arrived at by our Company in consultation with the Lead Manager prior to determination of the Record Date.

*\*Assuming full subscription in the Issue.*

Our Company has received in-principle approvals from NSE and BSE in accordance with Regulation 28(1) of the SEBI LODR Regulations for listing of the Rights Equity Shares to be Allotted in this Issue pursuant to their letters dated [●] and [●], respectively. Our Company will also make applications to NSE and BSE to obtain their trading approvals for the Rights Entitlements as required under the SEBI ICDR Master Circular.

Our Company has been allotted the ISIN: [●] for the Rights Entitlements to be credited to the respective demat accounts of Allottees. For details, see “Terms of the Issue” on page 97.

### Prohibition by SEBI or Other Governmental Authorities

Our Company, our Promoter, the members of our Promoter Group and our Directors have not been and are not prohibited or debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.

Further, our Promoter and our Directors are not promoter(s) or director(s) of any other company which is debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.

None of our Directors are associated with the securities market in any manner. Further, there is no outstanding action initiated by SEBI against any of our Directors, who have been associated with the securities market.

Neither our Promoter nor any of our Directors are declared as fugitive economic offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.

Neither our Company, not any of our group companies, promoter group, entities where promoter is a director and other related entities have been involved in the act of money mobilization in any manner and there have been no such action by any regulator / agency against them.

### Prohibition by RBI

Neither our Company nor our Promoter or any of our Directors have been or are identified as Wilful Defaulters or Fraudulent Borrowers.

### Eligibility for the Issue

Our Company is a listed company and has been incorporated under the Companies Act, 1956. Our Equity Shares are presently listed on the Stock Exchanges. Our Company is eligible to offer Rights Equity Shares pursuant to this Issue in terms of Chapter III and other applicable provisions of the SEBI ICDR Regulations. Further, our Company is undertaking this Issue in compliance with Part B of Schedule VI of the SEBI ICDR Regulations.

## **Compliance with Regulations 61 and 62 of the SEBI ICDR Regulations**

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company has made applications to the NSE and BSE has received their in-principle approvals through their letters dated, [●] and [●] for issuance of the Rights Equity Shares pursuant to this Issue. [●] is the Designated Stock Exchange for the Issue.

## **Compliance with conditions of Fast Track Issue**

Our Company satisfies the following conditions specified in Regulation 99 of the SEBI ICDR Regulations, and accordingly, our Company is eligible to make this Issue by way of a 'fast track issue':

1. Our Equity Shares have been listed on BSE and NSE, each being a recognized stock exchange having nationwide trading terminals, for a period of at least 3 years immediately preceding the date of filing of the Letter of Offer;
2. The entire shareholding of the members of our Promoter Group in our Company is held in dematerialized form as at the date of filing of the Draft Letter of Offer;
3. The average market capitalization of the public shareholding (as defined in the SEBI ICDR Regulations) of our Company is at least ₹ 250 crore, in at least one of the recognized stock exchanges with nationwide trading terminals, where our securities are listed, calculated as per explanation (i) of Regulation 99 of SEBI ICDR Regulations;
4. The annualized trading turnover of our Equity Shares during the six calendar months immediately preceding the month of filing of the Draft Letter of Offer has been at least 2% of the weighted average number of Equity Shares listed during such six-months period on each of the Stock Exchanges;
5. The annualized delivery-based trading turnover of our Equity Shares during the six calendar months immediately preceding the month of filing of the Draft Letter of Offer has been at least 10% of the annualized trading turnover of our Equity Shares during such six-month period on each of the Stock Exchanges;
6. Our Company has been in compliance with the equity listing agreement entered into with the Stock Exchanges and the SEBI LODR Regulations, for a period of at least three years immediately preceding the date of filing of the Draft Letter of Offer;
7. Our Company has redressed at least 95% of the complaints received from the investors until the end of the quarter immediately preceding the month of filing of the Draft Letter of Offer;
8. As on the date of filing of the Draft Letter of Offer, no show-cause notices, excluding proceedings for imposition of penalty, have been issued by SEBI and are pending against our Company, our Promoter or Whole-time Directors. Further, no show cause notices have been issued by the SEBI or an Adjudicating Officer in a proceeding for imposition of penalty and / or no prosecution proceedings have been initiated by SEBI, against our Company, our Promoter or Whole-time Directors;
9. Our Company, our Promoter, the members of our Promoter Group or our Directors have not settled any alleged violations of securities laws through the settlement mechanism with SEBI during the three years immediately preceding the date of filing of the Draft Letter of Offer;
10. Our Equity Shares have not been suspended from trading as a disciplinary measure during the three years immediately preceding the date of filing of the Draft Letter of Offer;
11. There is no conflict of interest between the Lead Manager and our Company in accordance with applicable regulations;
12. Our Promoter has confirmed that they will (i) subscribe to the full extent of their Rights Entitlements in the Issue, and they will not renounce their Rights Entitlements, except to the extent of renunciation within the Promoter Group or for the purpose of complying with minimum public shareholding norms prescribed under the SCRR, and (ii) subscribe to the Rights Entitlements which may be renounced in their favour by any other member of the Promoter Group, except to the extent of renunciation by the Promoter for the purpose of

complying with minimum public shareholding norms prescribed under the SCRR. Further, our Promoter confirmed that during the Issue Period, they intend to (i) apply for and subscribe to additional Equity Shares, and (ii) subscribe to Equity Shares, if any, which remain unsubscribed in the Issue. Our Promoter Group, to the extent that they hold Equity Shares in the Company, have confirmed to either (i) subscribe to the full extent of their respective Rights Entitlements in the Issue, or (ii) renounce, any or all, of their Rights Entitlements in the Issue in favour of our Promoter. For details, see “Capital Structure - Intention and extent of participation by our Promoter & Promoter Group” on page 51; and

13. There are no audit qualifications (as defined under the SEBI ICDR Regulations) on the audited accounts of our Company, in respect of the Financial Years for which such accounts are disclosed in the Draft Letter of Offer.

#### **Compliance with Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations**

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations as explained below:

1. Our Company has been filing periodic reports, statements and information in compliance with the SEBI LODR Regulations, as applicable for the last one year immediately preceding the date of filing of the Draft Letter of Offer with the Designated Stock Exchange;
2. The reports, statements and information referred to above are available on the websites of BSE and NSE; and
3. Our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders’ Relationship Committee at frequent intervals, appropriate delegation of power by our Board as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

#### **Non-applicability of conditions precedent under Clause (3) of Part B of schedule VI of the SEBI ICDR Regulations**

1. Our Company’s management has not undergone any change pursuant to acquisition of control in accordance with the provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 or the SEBI Takeover Regulations, as applicable. Our Company is not making a rights issue of specified securities for the first time subsequent to any such change; and
2. Our Company has not been listed consequent to the relaxation granted by SEBI under sub-rule (7) of Rule 19 of the SCRR for listing of its specified securities pursuant to a scheme sanctioned by a High Court under Sections 391 to 394 of the Companies Act, 1956 or approved by a tribunal under Sections 230 to 234 of the Companies Act, as applicable. Our Company is not making a rights issue of specified securities for the first time subsequent to any such listing.

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations, and given that the conditions prescribed in Clause (3) of Part B of Schedule VI of SEBI ICDR Regulations are not applicable to our Company, the disclosures in the Draft Letter of Offer are in terms of Clause (4) of Part B of Schedule VI of the SEBI ICDR Regulations.

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE SUBMISSION OF THE LETTER OF OFFER TO SEBI SHOULD NOT, IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE, OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. THE LEAD MANAGER, NAMELY, SUNDAE CAPITAL ADVISORS PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE LETTER OF OFFER ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE OUR COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE LETTER OF OFFER, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT OUR COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, NAMELY SUNDAE CAPITAL ADVISORS PRIVATE LIMITED, HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED [●], WHICH READS AS FOLLOWS:**

- (1) WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION, INCLUDING COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL WHILE FINALISING THIS LETTER OF OFFER OF THE SUBJECT ISSUE.**
- (2) THE BASIS OF SUCH EXAMINATION AND DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION, CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:**
  - (a) THE LETTER OF OFFER FILED WITH SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS WHICH ARE MATERIAL TO THE ISSUE;**
  - (b) ALL MATERIAL LEGAL REQUIREMENTS RELATING TO THE ISSUE AS SPECIFIED BY SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
  - (c) THE MATERIAL DISCLOSURES MADE IN THE LETTER OF OFFER ARE TRUE AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL-INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013, THE SEBI ICDR REGULATIONS AND OTHER APPLICABLE LEGAL REQUIREMENTS.**
- (3) BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE LETTER OF OFFER ARE REGISTERED WITH SEBI AND THAT UNTIL DATE SUCH REGISTRATION IS VALID. COMPLIED WITH**
- (4) WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. NOT APPLICABLE**
- (5) WRITTEN CONSENT FROM THE PROMOTER HAVE BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED OR SOLD OR TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE LETTER OF OFFER WITH SEBI UNTIL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE LETTER OF OFFER. NOT APPLICABLE**
- (6) ALL APPLICABLE PROVISIONS OF SEBI ICDR REGULATIONS, WHICH RELATE TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTER'S CONTRIBUTION, HAVE BEEN AND SHALL BE DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION(S) HAVE BEEN MADE IN THE LETTER OF OFFER. NOT APPLICABLE**
- (7) ALL APPLICABLE PROVISIONS OF SEBI ICDR REGULATIONS, WHICH RELATE TO RECEIPT OF PROMOTER'S CONTRIBUTION PRIOR TO OPENING OF THE ISSUE, SHALL BE COMPLIED WITH. ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE AND THE STATUTORY AUDITOR'S CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE**

TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE ISSUE. NOT APPLICABLE

- (8) NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONIES RECEIVED PURSUANT TO THE ISSUE ARE CREDITED OR TRANSFERRED TO A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONIES SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES, AND THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION. NOTED FOR COMPLIANCE TO THE EXTENT APPLICABLE
- (9) THE EXISTING BUSINESS AS WELL AS ANY NEW BUSINESS OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED FALL WITHIN THE 'MAIN OBJECTS' IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED IN LAST TEN YEARS ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION. COMPLIED WITH TO THE EXTENT APPLICABLE
- (10) FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE LETTER OF OFFER:
- (a) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY, EXCLUDING SUPERIOR EQUITY SHARES, WHERE THE COMPANY HAS OUTSTANDING EQUITY SHARES WITH SUPERIOR RIGHTS. COMPLIED WITH; AND
- (b) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH ALL DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI. COMPLIED WITH
- (11) WE SHALL COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENTS IN TERMS OF THE SEBI ICDR REGULATIONS. NOTED FOR COMPLIANCE
- (12) IF APPLICABLE, THE COMPANY IS ELIGIBLE TO LIST ON THE INNOVATORS GROWTH PLATFORM IN TERMS OF THE PROVISIONS CHAPTER X OF THE SEBI ICDR REGULATIONS. NOT APPLICABLE
- (13) NONE OF THE INTERMEDIARIES NAMED IN THIS LETTER OF OFFER HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY. COMPLIED WITH
- (14) THE COMPANY IS ELIGIBLE TO MAKE A FAST TRACK ISSUE IN TERMS OF REGULATION 99 OF THE SEBI ICDR REGULATIONS. THE FULFILMENT OF THE ELIGIBILITY CRITERIA AS SPECIFIED IN THAT REGULATION BY THE COMPANY HAS ALSO BEEN DISCLOSED IN THIS LETTER OF OFFER. COMPLIED WITH TO THE EXTENT APPLICABLE
- (15) THE ABRIDGED LETTER OF OFFER CONTAINS ALL DISCLOSURES AS SPECIFIED IN THE SEBI ICDR REGULATIONS. COMPLIED WITH
- (16) ALL MATERIAL DISCLOSURES IN RESPECT OF THE COMPANY HAVE BEEN MADE IN THIS LETTER OF OFFER AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE COMPANY OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN. COMPLIED WITH AND NOTED FOR COMPLIANCE
- (17) AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE COMPANY. COMPLIED WITH

**THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE OUR 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 PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE LETTER OF OFFER.**

**Disclaimer clauses from our Company and the Lead Manager**

Our Company and the Lead Manager accept no responsibility for statements made otherwise than in the Draft Letter of Offer or in any advertisement or other material issued by or at the instance of our Company and anyone placing reliance on any other source of information would be doing so at his own risk.

Investors who invest in the Issue will be deemed to have represented to our Company, the Lead Manager 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 Rights Equity Shares, and are relying on independent advice / evaluation as to their ability and quantum of investment in the Issue.

**CAUTION**

Our Company and the Lead Manager shall make all information available to the Eligible Equity Shareholders in accordance with the SEBI ICDR Regulations and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports etc. after filing of the Draft Letter of Offer.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in the Draft Letter of Offer. You must not rely on any unauthorized information or representations. The Draft Letter of Offer is an offer to sell only the Rights Equity Shares and rights to purchase the Rights Equity Shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in the Draft Letter of Offer is current only as of its date.

Our Company, the Lead Manager and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any Applicant on whether such Applicant is eligible to acquire any Rights Equity Shares.

The Lead Manager and their affiliates may engage in transactions with and perform services for our Company or our affiliates in the ordinary course of business and have engaged, or may in the future engage, in transactions with our Company or our affiliates, for which they have received and may in the future receive, compensation.

**Disclaimer with respect to jurisdiction**

The Draft Letter of Offer has been prepared under the provisions of Indian laws and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Madurai, Tamil Nadu, India only.

**Designated Stock Exchange**

The Designated Stock Exchange for the purpose of the Issue is [●].

**Disclaimer Clause of NSE**

As required, a copy of the Draft Letter of Offer has been submitted to NSE. The disclaimer clause as intimated by the NSE to us, post scrutiny of the Draft Letter of Offer is as under:

[●]

**Disclaimer Clause of the BSE**

As required, a copy of the Draft Letter of Offer has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of the Draft Letter of Offer is as under:



[•]

## **NO OFFER IN THE UNITED STATES**

**THE RIGHTS ENTITLEMENTS AND THE RIGHTS EQUITY SHARES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S SECURITIES ACT AND 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 RIGHTS EQUITY SHARES ARE ONLY BEING OFFERED AND SOLD OUTSIDE THE UNITED STATES IN “OFFSHORE TRANSACTIONS” AS DEFINED IN AND IN RELIANCE ON REGULATION S UNDER THE U.S. SECURITIES ACT TO ELIGIBLE EQUITY SHAREHOLDERS LOCATED IN JURISDICTIONS WHERE SUCH OFFER AND SALE IS PERMITTED UNDER THE LAWS OF SUCH JURISDICTIONS. THE OFFERING TO WHICH THE DRAFT LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, YOU SHOULD NOT FORWARD OR TRANSMIT THE DRAFT LETTER OF OFFER INTO THE UNITED STATES AT ANY TIME.**

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States when the buy order is made. No Application Form should be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer under the Draft Letter of Offer or where any action would be required to be taken to permit the Issue. Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch the Draft Letter of Offer or the Abridged Letter of Offer and Application Form only to Eligible Equity Shareholders who have provided an Indian address to our Company. Any person who purchases or sells Rights Entitlements or makes an application for Rights Equity Shares will be deemed to have represented, warranted and agreed, by accepting the delivery of the Draft Letter of Offer, that it is not and that at the time of subscribing for the Rights Equity Shares or the purchase or sale of Rights Entitlements, it will not be, in the United States and is authorized to purchase or sell the Rights Entitlement and subscribe to the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company, in consultation with the Lead Manager, reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or any other jurisdiction where the offer and sale of the Rights Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is outside the United States and such person is eligible to subscribe for the Rights Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; or (iii) where either a registered Indian address is not provided; or (iv) where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such Application Form.

### **Filing**

The Letter of Offer is being filed with the Stock Exchanges and SEBI as per the provisions of the SEBI ICDR Regulations. Further, our Company will simultaneously while filing the Letter of Offer with the Designated Stock Exchange, do an online filing with SEBI through the SEBI Intermediary Portal at [www.sipotal.sebi.gov.in](http://www.sipotal.sebi.gov.in), in accordance with SEBI ICDR Master Circular.

### **Mechanism for Redressal of Investor Grievances**

Our Company has adequate arrangements for the redressal of investor complaints in compliance with the corporate governance requirements in compliance with the Listing Agreements and the SEBI LODR Regulations. We have

been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI circular no. CIR/OIAE/2/2011 dated June 3, 2011 and shall comply with the SEBI circular bearing reference number SEBI/HO/OIAE/CIR/P/2023/156 dated September 20, 2023 and any other circulars issued in this regard. Consequently, investor grievances are also tracked online by our Company through the SCORES mechanism.

Our Company has a Stakeholders' Relationship Committee which meets at periodic intervals. Its terms of reference include considering and resolving grievances of shareholders in relation to transfer of shares and effective exercise of voting rights. Link Intime India Private Limited is our Registrar and Share Transfer Agent. All investor grievances received by us have been handled by the Registrar and Share Transfer Agent in consultation with our Company Secretary and Compliance Officer.

The investor complaints received by our Company are generally disposed of within 30 days from the date of receipt of the complaint.

**Investors may contact the Registrar or our Company Secretary and Compliance Officer for any pre-Issue or post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs, giving full details such as name, address of the Applicant, contact number(s), e-mail address of the sole/ first holder, folio number or demat account number, number of Rights Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip. For details on the ASBA process, please see “Terms of the Issue” on page 97.**

**The contact details of Registrar to the Issue and our Company Secretary are as follows:**

**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+91 81 0811 4949

E-mail ID: [thangamayil.rights2024@linkintime.co.in](mailto:thangamayil.rights2024@linkintime.co.in)

Website: [www.linkintime.co.in](http://www.linkintime.co.in)

Investor Grievance e-mail id: [thangamayil.rights2024@linkintime.co.in](mailto:thangamayil.rights2024@linkintime.co.in)

SEBI Regn. No.: INR000004058

Contact Person: Ms. Shanti Gopalkrishnan

**Company Secretary and Compliance Officer**

V Vijayaraghavan

2nd & 3rd Floor, No. 25/6, Palami Centre

New Natham Road, Madurai - 625 014, Tamil Nadu, India

Tel.: +91 452 438 2815

Email: [companysecretary@thangamayil.com](mailto:companysecretary@thangamayil.com)

## TERMS OF THE ISSUE

*This section is for the information of the Investors proposing to apply in this Issue. Investors should carefully read the provisions contained in the Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company and the Lead Manager is not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Draft Letter of Offer. Investors are advised to make their independent investigation and ensure that the Application Form is accurately filled up in accordance with instructions provided therein and the Draft Letter of Offer. Unless otherwise permitted under the SEBI ICDR Regulations read with the SEBI ICDR Master Circular, Investors proposing to apply in this Issue can apply only through ASBA.*

*Investors are requested to note that Application in this Issue can only be made through ASBA or any other mode which may be notified by SEBI.*

**Please note that our Company has opened a separate demat suspense escrow account (namely, “TMJL THANGAMAYIL 2025 ESCROW DEMAT ACCOUNT”) (“Demat Suspense Account”) and would credit Rights Entitlements on the basis of the Equity Shares: (a) held by Eligible Equity Shareholders which are held in physical / electronic / Demat form as on Record Date; or (b) which are held in the account of the Investor Education and Protection Fund (“IEPF”) authority; or (c) of the Eligible Equity Shareholder whose demat accounts are frozen or where the Equity Shares are lying in the unclaimed / suspense escrow account / demat suspense account (including those pursuant to Regulation 39 of the SEBI LODR Regulations) or details of which are unavailable with our Company or with the Registrar on the Record Date or where Equity Shares have been kept in abeyance or where entitlement certificate has been issued or where instruction has been issued for stopping issue or transfer or where letter of confirmation lying in escrow account; or (d) where credit of the Rights Entitlements have returned/reversed/failed for any reason; or (e) where ownership is currently under dispute, including any court or regulatory proceedings or where legal notices have been issued, if any or (f) such other cases where our Company is unable to credit Rights Entitlements for any other reasons Please also note that our Company has credited Rights Entitlements to the Demat Suspense Account on the basis of information available with our Company and to serve the interest of relevant Eligible Equity Shareholders to provide them with a reasonable opportunity to participate in the Issue. The credit of the Rights Entitlements to the Demat Suspense Account by our Company does not create any right in favour of the relevant Eligible Equity Shareholders for transfer of Rights Entitlement to their demat account or to receive any Equity Shares in the Issue.**

**With respect to the Rights Entitlements credited to the Demat Suspense Account, the Eligible Equity Shareholders are requested to provide relevant details / documents as acceptable to our Company or the Registrar (such as applicable regulatory approvals, self-attested PAN and client master sheet of demat account, details/ records confirming the legal and beneficial ownership of their respective Equity Shares, etc.) to our Company or the Registrar no later than two clear Working Days prior to the Issue Closing Date, i.e., by [●], to enable credit of their Rights Entitlements by way of transfer from the Demat Suspense Account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar account is active to facilitate the aforementioned transfer. In the event that the Eligible Equity Shareholders are not able to provide relevant details to our Company or the Registrar by the end of two clear Working Days prior to the Issue Closing Date, Rights Entitlements credited to the Demat Suspense Account shall lapse and extinguish in due course and such Eligible Equity Shareholder shall not have any claim against our Company and our Company shall not be liable to any such Eligible Equity Shareholder in any form or manner.**

**Further, with respect to Equity Shares for which Rights Entitlements are being credited to the Demat Suspense Account, the Application Form along with the Rights Entitlement Letter shall not be dispatched till the resolution of the relevant issue/concern and transfer of the Rights Entitlements from the Demat Suspense Account to the respective demat account other than in case of Eligible Equity Shareholders who hold Equity Shares in physical/demat/electronic form as on the Record Date who will receive the Application Form along with the Rights Entitlement Letter. Upon submission of such documents /records no later than two clear Working Days prior to the Issue Closing Date, to the satisfaction of our Company, our Company shall make available the Rights Entitlement on such Equity Shares to the identified Eligible Equity Shareholder. The identified Eligible Equity Shareholder shall be entitled to subscribe to Equity**

**Shares pursuant to the Issue during the Issue Period with respect to these Rights Entitlement and subject to the same terms and conditions as the Eligible Equity Shareholder.**

## **Overview**

This Issue is proposed to be undertaken on a rights basis and is subject to the terms and conditions contained in the Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, the FEMA, the FEMA Rules, the SEBI ICDR Regulations, the SEBI LODR Regulations, the SEBI ICDR Master Circular and the guidelines, notifications, circulars and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with Stock Exchanges and the terms and conditions as stipulated in the Allotment Advice.

### **I. DISPATCH AND AVAILABILITY OF ISSUE MATERIALS**

Pursuant to the requirements of the SEBI ICDR Regulations and other applicable laws, the Rights Entitlements will be credited to the demat account of the Eligible Equity Shareholders who are Equity Shareholders as on the Record Date, however, the Issue Materials will be sent/ dispatched only to such Eligible Equity Shareholders who have provided an Indian address to our Company and only such Eligible Equity Shareholders are permitted to participate in the Issue. The credit of Rights Entitlement does not constitute an offer, invitation to offer or solicitation for participation in the Issue, whether directly or indirectly, and only dispatch of the Issue Material shall constitute an offer, invitation or solicitation for participation in the Issue in accordance with the terms of the Issue Material. Further, receipt of the Issue Materials (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in (i) the United States or (ii) any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorized or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, the Draft Letter of Offer and any other Issue Materials must be treated as sent for information only and should not be acted upon for subscription to Rights Equity Shares and should not be copied or re-distributed, in part or full. Accordingly, persons receiving a copy of the Issue Materials should not distribute or send the Issue Materials in or into any jurisdiction where to do so, would or might contravene local securities laws or regulations, or would subject our Company or its affiliates or the Lead Manager or their affiliates to any filing or registration requirement (other than in India).

The Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent / dispatched only to the Eligible Equity Shareholders who have provided an Indian address to our Company. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Draft Letter of Offer, Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their valid e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be physically dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, the Draft Letter of Offer will be sent / dispatched to the Eligible Equity Shareholders who have provided their Indian address and who have made a request in this regard.

Investors can access the Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe to the Rights Equity Shares under applicable laws) on the websites of:

- (i) our Company at [www.thangamayil.com](http://www.thangamayil.com);
- (ii) the Registrar at [www.linkintime.co.in](http://www.linkintime.co.in);
- (iii) the Lead Manager, at [www.sundaecapital.com](http://www.sundaecapital.com)
- (iv) the Stock Exchanges at [www.bseindia.com](http://www.bseindia.com) & [www.nseindia.com](http://www.nseindia.com)

**To update the respective Indian addresses/e-mail addresses/phone or mobile numbers in the records maintained by the Registrar or by our Company, Eligible Equity Shareholders should visit [www.linkintime.co.in](http://www.linkintime.co.in).**

**Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e.*, [www.linkintime.co.in](http://www.linkintime.co.in)) by entering their DP ID and Client ID or folio**

number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company at [www.thangamayil.com](http://www.thangamayil.com).

**Please note that neither our Company nor the Registrar nor the Lead Manager shall be responsible for not sending the physical copies of Issue materials, including the Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt of the Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the email addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.**

The distribution of the Draft Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Draft Letter of Offer is being filed with SEBI and the Stock Exchanges. Accordingly, Rights Equity Shares may not be offered or sold, directly or indirectly, and the Issue Materials may not be distributed, in any jurisdiction, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction. Receipt of the Issue Materials will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, such Issue Materials must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed.

Accordingly, persons receiving a copy of the Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send the Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates or the Lead Manager or their respective affiliates to any filing or registration requirement (other than in India). If the Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in the Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who purchases or renounces the Rights Entitlements or makes an application to acquire the Rights Equity Shares offered in the Issue will be deemed to have declared, represented and warranted that such person is outside the United States and is eligible to subscribe and authorized to purchase or sell the Rights Entitlements or acquire the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates or the Lead Manager or their respective affiliates to make any filing or registration (other than in India).

**The Draft Letter of Offer will be provided, primarily through e-mail, by the Registrar on behalf of our Company or the Lead Manager to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard.**

## **II. PROCESS OF MAKING AN APPLICATION IN THE ISSUE**

- (i) In accordance with Regulation 76 of the SEBI ICDR Regulations, the SEBI ICDR Master Circular and the ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.**

The Application Form can be used by the Eligible Equity Shareholders as well as the Renounees to make Applications in this Issue basis the Rights Entitlement credited in their respective demat accounts.

Please note that one single Application Form shall be used by Investors to make Applications for all Rights Entitlements available in a particular demat account. In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights

Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may apply for the Rights Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein that the ASBA Account in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB.

**Applicants should carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details, see “Terms of the Issue - Grounds for Technical Rejection” on page 107. Our Company, the Lead Manager, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.**

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI ICDR Regulations are specified in the plain paper application and that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see “Terms of the Issue - Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process” on page 102.

## **(ii) Options available to the Eligible Equity Shareholders**

The Rights Entitlement Letter will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder is entitled to the Issue.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

- (i) apply for its Rights Equity Shares to the full extent of its Rights Entitlements; or
- (ii) apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
- (iii) apply for Rights Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
- (iv) apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for Additional Rights Equity Shares; or
- (v) renounce its Rights Entitlements in full.

## **(iii) Making of an Application through the ASBA process**

An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with SCSBs, prior to making the Application. Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form in physical mode to the Designated Branches of the SCSB or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form and have provided an authorisation to the SCSB, *via* the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to [www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34](http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34).

Please note that subject to SCSBs complying with the requirements of the SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs. Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

The Lead Manager, our Company, their directors, their employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Investors applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process.

*Do's for Investors applying through ASBA:*

- (a) Ensure that the necessary details are filled in the Application Form including the details of the ASBA Account.
- (b) Ensure that the details about your Depository Participant, PAN and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized form only.
- (c) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.
- (d) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including Additional Rights Equity Shares) applied for} X {Application Money of Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.
- (e) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application Form and have signed the same.
- (f) Ensure that you have a bank account with SCSBs providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
- (g) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.
- (h) Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.
- (i) Ensure that your PAN is linked with Aadhaar and you are in compliance with CBDT notification dated Feb 13, 2020 read with press release dated June 25, 2021 and September 17, 2021.

*Don'ts for Investors applying through ASBA:*

- (a) Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.

- (b) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.
- (c) Do not send your physical Application to the Lead Manager, the Registrar, the Bankers to the Issue (assuming that such Bankers to the Issue are not SCSB's), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.
- (d) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process upon making the Application.
- (e) Do not submit Application Form using third party ASBA account.
- (f) Avoiding applying on the Issue Closing Date due to risk of delay/restriction in making any physical Application.
- (g) Do not submit Multiple Application Forms.

**(iv) Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process**

An Eligible Equity Shareholder in India who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper in terms of Regulation 78 of SEBI ICDR Regulations in case of non-receipt of Application Form as detailed above. In such cases of non-receipt of the Application Form through physical delivery (where applicable) and the Eligible Equity Shareholder not being in a position to obtain it from any other source may make an Application to subscribe to this Issue on plain paper with the same details as per the Application Form that is available on the website of the Registrar, Stock Exchanges or the Lead Manager. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any Eligible Equity Shareholder who has not provided an Indian address.

Please note that in terms of Regulation 78 of SEBI ICDR Regulations, the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

The Application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his/her bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

- (a) Name of our Company, being Thangamayil Jewellery Limited;
- (b) Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
- (c) Folio number (in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/DP and Client ID;
- (d) Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Equity Shares applied for pursuant to this Issue;
- (e) Number of Equity Shares held as on Record Date;
- (f) Allotment option – only dematerialised form;
- (g) Number of Rights Equity Shares entitled to;
- (h) Number of Rights Equity Shares applied for within the Rights Entitlements;



- (i) Number of Additional Rights Equity Shares applied for, if any (applicable only if entire Rights Entitlements have been applied for);
- (j) Total number of Rights Equity Shares applied for;
- (k) Total Application amount paid at the rate of ₹ [●] per Rights Equity Share;
- (l) Details of the ASBA Account such as the SCSB account number, name, address and branch of the relevant SCSB;
- (m) In case of non-resident Eligible Equity Shareholders making an application with an Indian address, details of the NRE / FCNR/ NRO account such as the account number, name, address and branch of the SCSB with which the account is maintained;
- (n) Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
- (o) Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB); and
- (p) All such Eligible Equity Shareholders shall be deemed to have made the representations and warranties as under:

*“I/ We understand that neither the Rights Entitlements nor the Rights Equity Shares have been, or will be, registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”), or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (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. I/ we understand the Rights Equity Shares referred to in this application are being offered and sold in offshore transactions outside the United States in compliance with Regulation S under the U.S. Securities Act (“Regulation S”) to Eligible Equity Shareholders located in jurisdictions where such offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. I/ we understand that the Issue is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlements for sale in the United States, or as a solicitation therein of an offer to buy any of the said Rights Equity Shares or Rights Entitlements in the United States. I/ we confirm that I am/ we are (a) not in the United States and eligible to subscribe for the Rights Equity Shares under applicable securities laws, (b) complying with laws of jurisdictions applicable to such person in connection with the Issue, and (c) understand that neither the Company, nor the Registrar, the Lead Manager or any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who the Company, the Registrar, the Lead Manager or any other person acting on behalf of the Company have reason to believe is in the United States or is outside of India and ineligible to participate in this Issue under the securities laws of their jurisdiction.*

*I/ We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation. I/ We satisfy, and each account for which I/ we are acting satisfies, (a) all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of my/our residence, and (b) is eligible to subscribe and is subscribing for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of our jurisdiction of residence.*

*I/ We understand and agree that the Rights Entitlements and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.*

*“/ We acknowledge that the Company, the Lead Manager, their affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements.”*

In cases where Multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an application being rejected, with our Company, the Lead Manager and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at [www.linkintime.co.in](http://www.linkintime.co.in).

Our Company, the Lead Manager and the Registrar shall not be responsible if the Applications are not uploaded by the SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date.

**(v) Making of an Application by Eligible Equity Shareholders holding Equity Shares in physical form**

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI ICDR Master Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Rights Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two clear Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and/or whose demat account details are not available with our Company or the Registrar, shall be credited in the Demat Suspense Account.

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

1. The Eligible Equity Shareholders shall visit <https://liiplweb.linkintime.co.in/rightsoffers/rightsissues-PlainPaper.aspx>, to upload their client master sheet and also provide the other details as required, no later than two Clear Working Days prior to the Issue Closing Date;
2. The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date; and
3. The remaining procedure for Application shall be same as set out in the section entitled “- Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process” on page 102.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date will not be allowed to renounce their Rights Entitlements in the Issue. However, such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the Demat Suspense Account to the respective demat accounts within prescribed timelines, can apply for Additional Rights Equity Shares while submitting the Application through ASBA process.

*Application for Additional Rights Equity Shares*

Investors are eligible to apply for Additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of Additional Rights Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for Additional Rights Equity

Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in the section entitled “*Terms of the Issue - Basis of Allotment*” on page 118.

**Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for Additional Rights Equity Shares. Non-resident Renounees who are not Eligible Equity Shareholders cannot apply for Additional Rights Equity Shares unless regulatory approvals are submitted.**

*Additional general instructions for Investors in relation to making of an Application*

- (a) Please read the Draft Letter of Offer carefully to understand the Application process and applicable settlement process.
- (b) Please read the instructions on the Application Form sent to you. Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of the Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.
- (c) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section entitled “Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process” on page 102.
- (d) Applications should be submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.
- (e) Applications should not be submitted to the Bankers to the Issue, our Company or the Registrar or the Lead Manager.
- (f) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-Tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be “suspended for credit” and no Allotment and credit of Rights Equity Shares pursuant to this Issue shall be made into the accounts of such Investors.
- (g) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation (“Demographic Details”) are updated, true and correct, in all respects. Investors applying under this Issue should note that on the basis of name of the Investors, DP ID and Client ID provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Therefore, Investors applying under this Issue should carefully fill in their Depository Account details in the Application. These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. The Allotment Advice and the intimation on unblocking of ASBA Account or refund (if any) would be mailed to the address of the Investor as per the Indian address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, Registrar or the Lead Manager shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay. In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) DP ID, and (c) Client ID, then such Application Forms are liable to be rejected.

- (h) By signing the Application Forms, Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.
- (i) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.
- (j) Investors should provide correct DP ID and Client ID/ folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) while submitting the Application. Such DP ID and Client ID/ folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, the Lead Manager, SCSBs or the Registrar will not be liable for any such rejections.
- (k) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.
- (l) All communication in connection with Application for the Rights Equity Shares, including any change in contact details of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/DP ID and Client ID and Application Form number, as applicable. In case of any change in contact details of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.
- (m) Investors are required to ensure that the number of Rights Equity Shares applied for by them does not exceed the prescribed limits under the applicable law.
- (n) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- (o) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- (p) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- (q) Do not pay the Application Money in cash, by money order, pay order or postal order.
- (r) Do not submit Multiple Applications.
- (s) An Applicant being an OCB is required not to be under the adverse notice of RBI and in order to apply in this Issue as an incorporated non-resident must do so in accordance with the FDI Policy and the FEMA Rules, as amended.
- (t) Ensure that your PAN is linked with Aadhaar and you are in compliance with CBDT notification dated February 13, 2020 and press release dated June 25, 2021 and September 17, 2021.

**(vi) Grounds for Technical Rejection**

Applications made in this Issue are liable to be rejected on the following grounds:

- (a) DP ID and Client ID mentioned in Application does not match with the DP ID and Client ID records available with the Registrar.
- (b) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.
- (c) Sending an Application to our Company, the Lead Manager, Registrar, Bankers to the Issue, to a branch of a SCSB which is not a Designated Branch of the SCSB.
- (d) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.
- (e) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.
- (f) Account holder not signing the Application or declaration mentioned therein.
- (g) Submission of more than one Application Form for Rights Entitlements available in a particular demat account.
- (h) Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.
- (i) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).
- (j) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the Demographic Details provided by the Depositories.
- (k) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
- (l) Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and the Draft Letter of Offer.
- (m) Physical Application Forms not duly signed by the sole or joint Investors, as applicable.
- (n) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.
- (o) If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.
- (p) Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or other jurisdictions where the offer and sale of the Rights Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is outside the United States, and is eligible to subscribe for the Rights Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; and our Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such Application Form.
- (q) Applications which have evidence of being executed or made in contravention of applicable securities laws.
- (r) Application from Investors that are residing in U.S. address as per the depository records.
- (s) Applicants not having the requisite approvals to make Application in the Issue.

### **(vii) Multiple Applications**

In case where multiple Applications are made using same demat account in respect of the same set of Rights Entitlement, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Investors and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. Further supplementary Applications in relation to further Rights Equity Shares with/without using additional Rights Entitlement will not be treated as multiple application. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications.

In cases where Multiple Application Forms are submitted, including cases where (a) an Investor submits Application Forms along with a plain paper Application or (b) multiple plain paper Applications (c) or multiple applications through ASBA, such Applications may be treated as multiple applications and are liable to be rejected or all the balance shares other than Rights Entitlement will be considered as additional shares applied for, other than multiple applications submitted by any of our Promoter or members of our Promoter Group to meet the minimum subscription requirements applicable to this Issue as described in the section entitled “*Capital Structure - Intention and extent of participation by our Promoter & Promoter Group*” on page 51.

### **(viii) Procedure for Applications by certain categories of Investors**

#### *Procedure for Applications by FPIs*

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, *i.e.*, the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post-Issue Equity Share capital. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and RBI in this regard. Further, the aggregate limit of all FPIs investments is up to the sectoral cap applicable to the sector in which our Company operates.

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. FPIs who wish to participate in the Issue are advised to use the Application Form for non-residents. 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 an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with ‘know your client’ norms; and (iv) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions:

- (a) such offshore derivative instruments are transferred only to persons in accordance with the 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 to are pre – approved by the FPI.

#### *Procedure for Applications by AIFs, FVCIs, VCFs and FDI route*

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Further, venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

#### *Procedure for Applications by NRIs*

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India (“OCI”) may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, *inter alia*, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid-up equity capital on a fully diluted basis or should 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 will 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 warrants. 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.

Further, in accordance with press note 3 of 2020, the FDI Policy has been amended to state that all investments by entities incorporated in a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country (“**Restricted Investors**”), will require prior approval of the Government of India. It is not clear from the press note whether or not an issue of the Rights Equity Shares to Restricted Investors will also require prior approval of the Government of India and each Investor should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval has been obtained, the Investor shall intimate our Company and the Registrar about such approval within the Issue Period.

#### *Procedure for Applications by Mutual Funds*

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or exchange traded funded 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.

#### *Procedure for Applications by Systemically Important Non-Banking Financial Companies (“NBFC-SI”)*

In case of an application made by NBFC-SI registered with RBI, (a) the certificate of registration issued by RBI under Section 45IA of RBI Act, 1934 and (b) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

#### *Last date for Application*

The last date for submission of the duly filled in the Application Form or a plain paper Application is [●], i.e., Issue Closing Date. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchanges and the Application Money is not blocked with the SCSB, on or before the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in the Draft Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Equity Shares hereby offered, as set out in the section entitled “*Terms of the Issue - Basis of Allotment*” on page 118.

Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

Please ensure that the Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

#### *Withdrawal of Application*

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor applying through ASBA facility may withdraw their Application post the Issue Closing Date.

#### *Disposal of Application and Application Money*

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branches of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form.

Our Board or a committee thereof reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period of 4 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

### **III. CREDIT OF RIGHTS ENTITLEMENTS IN DEMAT ACCOUNTS OF ELIGIBLE EQUITY SHAREHOLDERS**

#### **(i) Rights Entitlements**

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as on the Record Date, you may be entitled to subscribe to the number of Rights Equity Shares as set out in the Rights Entitlement Letter.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., [www.linkintime.co.in](http://www.linkintime.co.in)) by entering their DP ID and Client ID or folio number



(for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (i.e., [www.thangamayil.com](http://www.thangamayil.com)).

In this regard, our Company has made necessary arrangements with NSDL and CDSL for crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is ISIN: [●]. The said ISIN shall remain frozen (for debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the Demat Suspense Account to the Stock Exchanges after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. Further, if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall lapse and shall be extinguished after the Issue Closing Date. No Rights Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Rights Equity Shares offered under the Issue for subscribing to the Rights Equity Shares offered under the Issue.

If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar no later than two clear Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the Demat Suspense Account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (i.e. [www.linkintime.co.in/EmailReg/Email\\_Register.html](http://www.linkintime.co.in/EmailReg/Email_Register.html)). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI ICDR Master Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form.

#### **IV. RENUNCIATION AND TRADING OF RIGHTS ENTITLEMENT**

##### **(a) Renounees**

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renouneece(s) as well.

##### **(b) Renunciation of Rights Entitlements**

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and *vice versa* shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchanges or through an off-market transfer.

**(c) Procedure for Renunciation of Rights Entitlements**

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchanges (the “**On Market Renunciation**”); or (b) through an off-market transfer (the “**Off Market Renunciation**”), during the Renunciation Period. The Investors should have the demat Rights Entitlements credited / lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock-broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements.

**Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.**

**Payment Schedule of Rights Equity Shares**

₹ [●] per Rights Equity Share (including premium of ₹ [●] per Rights Equity Share) shall be payable on Application.

**The Lead Manager and our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.**

*(a) On Market Renunciation*

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges through a registered stock-broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI ICDR Master Circular, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchanges under ISIN: [●] subject to requisite approvals. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchanges for trading of Rights Entitlements. No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is 1 (one) Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, *i.e.*, from [●] to [●] (both days inclusive).

The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock-brokers by quoting the ISIN: [●] and indicating the details of the Rights Entitlements they intend to trade. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE, NSE under automatic order matching mechanism and on ‘T+2 rolling settlement basis’, where ‘T’ refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order,

the stock-broker will issue a contract note in accordance with the requirements of the Stock Exchanges and the SEBI.

*(b) Off Market Renunciation*

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only.

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date to enable Renounees to subscribe to the Rights Equity Shares in the Issue.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN: [●], the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants.

The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

## **V. MODE OF PAYMENT**

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

Under the ASBA facility, the Investor agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account. The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth in the Draft Letter of Offer.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, of the receipt of minimum subscription and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account(s) which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

*Mode of payment for Resident Investors*

All payments on the Application Forms shall be made only through ASBA facility. Applicants are requested to strictly adhere to these instructions.

### *Mode of payment for Non-Resident Investors*

As regards the Application by non-resident Investors, payment must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by RBI and subject to the following:

1. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Rights Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-Tax Act. However, please note that conditions applicable at the time of original investment in our Company by the Eligible Equity Shareholder including repatriation shall not change and remain the same for subscription in the Issue or subscription pursuant to renunciation in the Issue.
2. Subject to the above, in case Rights Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Rights Equity Shares cannot be remitted outside India.
3. In case of an Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.
4. Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Rights Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment.
5. In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account.
6. Non-resident Renounees who are not Eligible Equity Shareholders must submit regulatory approval for applying for Additional Rights Equity Shares.

## **VI. BASIS FOR THIS ISSUE AND TERMS OF THIS ISSUE**

The Rights Equity Shares are being offered for subscription to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of our Equity Shares held in dematerialised form and on the register of members of our Company in respect of our Equity Shares held in physical form at the close of business hours on the Record Date.

For principal terms of Issue such as face value, Issue Price, Rights Entitlement, see “*The Issue*” on page 46.

### **(a) Fractional Entitlements**

The Rights Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of [●] ([●]) Equity Shares for every [●] ([●]) Equity Shares held on the Record Date. For Equity Shares being offered on a rights basis under this Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [●] ([●]) Equity Shares or not in the multiple of [●], the fractional entitlement of such Eligible Equity Shareholders shall be ignored in the computation of the Rights Entitlement. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the allotment of one additional Equity Share each if they apply for additional Equity Shares over and above their Rights Entitlement, if any.

Further, the Eligible Equity Shareholders holding less than [●] ([●]) Equity Shares as on Record Date shall have ‘zero’ entitlement in the Issue. Such Eligible Equity Shareholders are entitled to apply for additional Equity Shares and will be given preference in the allotment of one additional Equity Share if, such Eligible Equity Shareholders apply for the additional Equity Shares. However, they cannot renounce the same in favour of third parties and the application forms shall be non-negotiable.

### **(b) Ranking**

The Rights Equity Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of the Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the

Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI LODR Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchanges and the terms and conditions as stipulated in the Allotment advice. The Rights Equity Shares to be issued and Allotted under this Issue, shall rank *pari passu* with the existing Equity Shares, in all respects including dividends.

**(c) Listing and trading of the Rights Equity Shares to be issued pursuant to this Issue**

Subject to receipt of the listing and trading approvals, the Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchanges. Unless otherwise permitted by the SEBI ICDR Regulations, the Rights Equity Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary formalities for listing and commencement of trading in the Rights Equity Shares will be taken within such period prescribed under the SEBI ICDR Regulations. Our Company has received in-principle approval from the BSE through letter bearing reference number [●] dated [●] from the NSE through letter bearing reference number [●] dated [●]. Our Company will apply to the Stock Exchanges for final approvals for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under this Issue will trade after the listing thereof.

The existing Equity Shares are listed and traded on BSE (Scrip Code: 533158), NSE (Symbol: THANGAMAYL) under the ISIN: **INE085J01014**. The Rights Equity Shares shall be credited to a temporary ISIN which will be frozen until the receipt of the final listing/ trading approvals from the Stock Exchanges. Upon receipt of such listing and trading approvals, the Rights Equity Shares shall be debited from such temporary ISIN and credited to the new ISIN for the Rights Equity Shares and thereafter be available for trading and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

The listing and trading of the Rights Equity Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

In case our Company fails to obtain listing or trading permission from the Stock Exchanges, our Company shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within four days of receipt of intimation from the Stock Exchanges, rejecting the application for listing of the Rights Equity Shares, and if any such money is not refunded/ unblocked within fifteen days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer-in-default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

**(d) Subscription to this Issue by our Promoter and members of our Promoter Group**

For details of the intent and extent of subscription by our Promoter and members of our Promoter Group, see “*Capital Structure - Intention and extent of participation by our Promoter & Promoter Group*” on page 51.

**(e) Rights of Holders of Equity Shares of our Company**

Subject to applicable laws, Equity Shareholders who have been Allotted Rights Equity Shares pursuant to the Issue shall have the following rights:

- (a) The right to receive dividend, if declared;
- (b) The right to receive surplus on liquidation;
- (c) The right to receive offers for rights shares and be allotted bonus shares, if announced;
- (d) The right to free transferability of Rights Equity Shares;
- (e) The right to attend general meetings of our Company and exercise voting powers in accordance with law, unless prohibited / restricted by law and as disclosed in the Draft Letter of Offer; and
- (f) Such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association.

## VII. GENERAL TERMS OF THE ISSUE

### (a) Market Lot

The Equity Shares of our Company shall be tradable only in dematerialized form. The market lot for Equity Shares in dematerialised mode is one Equity Share.

### (b) Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Equity Shares offered in this Issue.

### (c) Nomination

Nomination facility is available in respect of the Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014.

Since the Allotment is in dematerialised form, there is no need to make a separate nomination for the Equity Shares to be Allotted in this Issue. Nominations registered with the respective DPs of the Investors would prevail. Any Investor holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its Depository Participant.

### (d) Arrangements for Disposal of Odd Lots

The Equity Shares shall be traded in dematerialised form only and, therefore, the marketable lot shall be one Equity Share and hence, no arrangements for disposal of odd lots are required.

### (e) Restrictions on transfer and transmission of shares and on their consolidation/splitting

There are no restrictions on transfer and transmission and on their consolidation/splitting of shares issued pursuant this Issue. However, the Investors should note that pursuant to the provisions of the SEBI LODR Regulations, with effect from April 1, 2019, except in case of transmission or transposition of securities, the request for transfer of securities shall not be affected unless the securities are held in the dematerialized form with a depository.

### (f) Notices

Our Company will send through email and speed post, the Draft Letter of Offer, Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Draft Letter of Offer, Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Draft Letter of Offer, Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be physically dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, the Draft Letter of Offer will be sent / dispatched to the Eligible Equity Shareholders who have provided their Indian address and who have made a request in this regard.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi language national daily newspaper with wide circulation and one Tamil language daily newspaper with wide circulation (Tamil being the regional language of Tamil Nadu, where our Registered Office is situated).

The Draft Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchanges for making the same available on their websites.

**(g) Offer to Non-Resident Eligible Equity Shareholders/Investors**

As per Rule 7 of the FEMA Rules, RBI has given general permission to Indian companies to issue rights equity shares to non-resident equity shareholders including additional rights equity shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their rights entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Rights Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Rights Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Investor has specific approval from RBI or any other governmental authority, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar at Link Intime India Private Limited C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai - 400 083, Maharashtra, India. It will be the sole responsibility of the Investors to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and the Lead Manager and our Company will not be responsible for any such allotments made by relying on such approvals.

The Draft Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and Application Form shall be sent only to the Indian addresses of the non-resident Eligible Equity Shareholders on a reasonable efforts basis, who have provided an Indian address to our Company and located in jurisdictions where the offer and sale of the Rights Equity Shares may be permitted under laws of such jurisdictions. Eligible Equity Shareholders can access the Draft Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of the Registrar, our Company, the Lead Manager and the Stock Exchanges. Further, Application Forms will be made available at Registered and Corporate Office of our Company for the non-resident Indian Applicants. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the Allotment. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Rights Equity Shares are issued on rights basis.

In case of change of status of holders, *i.e.*, from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company and the Lead Manager.

The non-resident Eligible Equity Shareholders can update their Indian address in the records maintained by the Registrar to the Issue and our Company by submitting their respective copies of self-attested proof of address, passport, etc. at [thangamayil.rights2024@linkintime.co.in](mailto:thangamayil.rights2024@linkintime.co.in) / [companysecretary@thangamayil.com](mailto:companysecretary@thangamayil.com).

**ALLOTMENT OF THE RIGHTS EQUITY SHARES IN DEMATERIALIZED FORM**

**PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE. FOR DETAILS, SEE “ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS” ON PAGE 119.**

**VIII. ISSUE SCHEDULE**

<b>Issue Schedule</b>	
<b>Last Date for credit of Rights Entitlements</b>	<b>[●]</b>
<b>Issue Opening Date</b>	<b>[●]</b>
<b>Last date for On Market Renunciation of Rights Entitlements #</b>	<b>[●]</b>
<b>Issue Closing Date*</b>	<b>[●]</b>

<b>Finalization of Basis of Allotment (on or about)</b>	[●]
<b>Date of Allotment (on or about)</b>	[●]
<b>Date of credit of Rights Equity Shares (on or about)</b>	[●]
<b>Date of listing (on or about)</b>	[●]

# Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date.

\* Our Board or the Right Issue Committee will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar no later than two clear Working Days prior to the Issue Closing Date, *i.e.*, [●], to enable the credit of the Rights Entitlements by way of transfer from the Demat Suspense Account to their respective demat accounts, at least one day before the Issue Closing Date, *i.e.*, [●].

## IX. BASIS OF ALLOTMENT

Subject to the provisions contained in the Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to Allot the Rights Equity Shares in the following order of priority:

- (a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Rights Equity Shares either in full or in part and also to the Renounee(s) who has or have applied for Rights Equity Shares renounced in their favour, in full or in part.
- (b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one Additional Rights Equity Share each if they apply for Additional Rights Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under (a) above. If number of Rights Equity Shares required for Allotment under this head are more than the number of Rights Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.
- (c) Allotment to the Eligible Equity Shareholders who having applied for all the Rights Equity Shares offered to them as part of this Issue, have also applied for Additional Rights Equity Shares. The Allotment of such Additional Rights Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Rights Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Rights Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
- (d) Allotment to Renounees who having applied for all the Rights Equity Shares renounced in their favour, have applied for Additional Rights Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Equity Shares will be made on a proportionate basis having due regard to the number of Rights Entitlement held by them as on Issue Closing Date and in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
- (e) Allotment to any other person, subject to applicable laws, that our Board may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.



Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the Investors who have been allocated Rights Equity Shares in this Issue, along with:

1. The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for this Issue, for each successful Application.
2. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
3. The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

## **X. ALLOTMENT ADVICE OR REFUND / UNBLOCKING OF ASBA ACCOUNTS**

Our Company will send/ dispatch Allotment advice, refund intimations, if applicable, or demat credit of securities and/or letters of regret, only to the Eligible Equity Shareholders who have provided Indian address; along with crediting the Allotted Rights Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in Demat Suspense Account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company and our Directors who are “officers in default” shall pay interest at such other rate as specified under applicable law from the expiry of such 15 days’ period.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through a mail, to the Indian mail address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, unblocking refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for Additional Rights Equity Shares in the Issue and is Allotted a lesser number of Rights Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

## **XI. PAYMENT OF REFUND**

### **A. Mode of making refunds**

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes.

- (a) Unblocking amounts blocked using ASBA facility.
- (b) **NACH** – National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by RBI, where such facility has been made available. This would be subject to availability of complete bank account details including a Magnetic Ink Character Recognition (“MICR”) code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.

- (c) **National Electronic Fund Transfer (“NEFT”)** – Payment of refund shall be undertaken through NEFT wherever the Investors’ bank has been assigned the Indian Financial System Code (“**IFSC Code**”), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine-digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.
- (d) **Direct Credit** – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.
- (e) **RTGS** – If the refund amount exceeds ₹2,00,000, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the Investor’s bank receiving the credit would be borne by the Investor.
- (f) For all other Investors, the refund orders will be dispatched through speed post or registered post subject to applicable laws. Such refunds will be made by cheques, pay orders or demand drafts drawn in favour of the sole/first Investor and payable at par.
- (g) Credit of refunds to Investors in any other electronic manner, permissible by SEBI from time to time.

**Refund payment to non-residents**

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

**XII.ALLOTMENT ADVICE OR DEMAT CREDIT OF SECURITIES**

The demat credit of securities to the respective beneficiary accounts will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

**(a) Receipt of the Rights Equity Shares in Dematerialized Form**

**PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT / CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO CLEAR WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE.**

Investors shall be Allotted the Rights Equity Shares in dematerialized (electronic) form. Our Company has signed two agreements with the respective Depositories and the Registrar to the Issue, which enables the Investors to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates:

- (i) Tripartite agreement dated February 06, 2008, amongst our Company, NSDL and the Registrar to the Issue; and
- (ii) Tripartite agreement dated January 29, 2008, amongst our Company, CDSL and the Registrar to the Issue.

**INVESTORS MAY PLEASE NOTE THAT THE RIGHTS EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM.**

The procedure for availing the facility for Allotment of Rights Equity Shares in this Issue in the dematerialised form is as under:

1. Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.
2. It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.
3. The responsibility for correctness of information filled in the Application Form *vis-a-vis* such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant.
4. If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.
5. The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification. Allotment advice, refund order (if any) would be sent through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.
6. Non-transferable Allotment advice/ refund intimation will be directly sent to the Investors by the Registrar, on their registered email address or through physical dispatch.
7. Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.
8. Dividend or other benefits with respect to the Equity Shares held in dematerialized form would be paid to those Equity Shareholders whose names appear in the list of beneficial owners given by the Depository Participant to our Company as on the date of the book closure.
9. Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, and who have not provided the details of their demat accounts to our Company or to the Registrar at least two clear Working Days prior to the Issue Closing Date, shall not be able to apply in this Issue.

**XIII. IMPERSONATION**

Attention of the Investors is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

*“Any person who –*

- a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*

- b) *makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- c) *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹ 0.10 crore or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹ 0.10 crore 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 ₹0.50 crore or with both.

#### **XIV. UTILISATION OF ISSUE PROCEEDS**

Our Board declares that:

- A. All monies received out of this Issue shall be transferred to a separate bank account;
- B. Details of all monies utilized out of this Issue referred to under (A) above shall be disclosed, and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and
- C. Details of all unutilized monies out of this Issue referred to under (A) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

#### **XV. UNDERTAKINGS BY OUR COMPANY**

Our Company undertakes the following:

- (1) The complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.
- (2) All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Equity Shares are to be listed will be taken by our Board within the time limit specified by SEBI.
- (3) The funds required for making refunds / unblocking to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.
- (4) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
- (5) In case of refund / unblocking of the Application Money for unsuccessful Applicants or part of the Application Money in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.
- (6) No further issue of securities shall be made till the securities offered through the Draft Letter of Offer are listed or till the application monies are refunded on account of non-listing, under subscription, etc., other than as disclosed in accordance with Regulation 97 of SEBI ICDR Regulations.
- (7) Adequate arrangements shall be made to collect all ASBA Applications.
- (8) As on date, our Company does not have any convertible debt instruments.

- (9) Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

## **XVI. INVESTOR GRIEVANCES, COMMUNICATION AND IMPORTANT LINKS**

1. Please read the Draft Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of the Draft Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected.
2. All enquiries in connection with the Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Application Form must be addressed (quoting the registered folio number in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and superscribed “Thangamayil Jewellery Limited – Rights Issue” on the envelope and postmarked in India) to the Registrar at the following address:

**Link Intime India Private Limited**

C-101, 1st Floor, 247 Park

L.B.S. Marg, Vikhroli (West)

Mumbai - 400 083, Maharashtra, India

Tel.: + 91+91 81 0811 4949

E-mail ID: [thangamayil.rights2024@linkintime.co.in](mailto:thangamayil.rights2024@linkintime.co.in)

Website: [www.linkintime.co.in](http://www.linkintime.co.in)

Investor Grievance e-mail id: [thangamayil.rights2024@linkintime.co.in](mailto:thangamayil.rights2024@linkintime.co.in)

SEBI Regn. No.: INR000004058

Contact Person: Ms. Shanti Gopalkrishnan

3. In accordance with SEBI ICDR Master Circular, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar ([www.linkintime.co.in](http://www.linkintime.co.in)).
4. The Investors can visit following links for the below-mentioned purposes:
  - a) Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: [www.linkintime.co.in/thangamayil.rights2024@linkintime.co.in](http://www.linkintime.co.in/thangamayil.rights2024@linkintime.co.in)
  - b) Updation of Indian address/ e-mail address/ phone or mobile number in the records maintained by the Registrar or our Company: [thangamayil.rights2024@linkintime.co.in](mailto:thangamayil.rights2024@linkintime.co.in)
  - c) Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: [thangamayil.rights2024@linkintime.co.in](mailto:thangamayil.rights2024@linkintime.co.in)
  - d) Submission of self-attested PAN, client master sheet and demat account details by non- resident Eligible Equity Shareholders: [thangamayil.rights2024@linkintime.co.in](mailto:thangamayil.rights2024@linkintime.co.in)

This Issue will remain open for a minimum seven days. However, our Board or the Rights Issue Committee will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Closing Date).

## 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, of the Government of India, 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, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/ departments are responsible for granting approval for foreign investment.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The FDI Policy consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy will be valid until the DPIIT issues an updated circular. Further, the sectoral cap applicable to the sector in which our Company operates is 100% which is permitted under the automatic route.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict, the relevant notification under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 will prevail. The payment of inward remittance and reporting requirements are stipulated under the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 issued by RBI.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the SEBI 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 SEBI and RBI. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country (“Restricted Investors”), will require prior approval of the Government, as prescribed in the FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made a similar amendment to the FEMA Rules. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank of fund in India.

Please also note that pursuant to Circular no. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies (“OCBs”) have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for the issue as an incorporated non-resident must do so in accordance with the FDI Policy and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019. Further, while investing in the Issue, the Investors are deemed to have obtained the necessary approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors. Our Company shall not be under an obligation to obtain any approval under any of the applicable laws on behalf of the Investors and shall not be liable in case of failure on part of the Investors to obtain such approvals.

The above information is given for the benefit of the Applicants / Investors. Our Company and the Lead Manager is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Draft Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Rights Equity Shares applied for do not exceed the applicable limits under laws or regulations. Investors are cautioned to consider any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Draft Letter of Offer.

## **MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION**

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of the Draft Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all working days and will also be available on the website of our Company from the date of the Draft Letter of Offer until the Issue Closing Date.

### **A. Material Contracts for the Issue**

1. Issue Agreement dated [●], between our Company and the Lead Manager
2. Registrar Agreement dated December 23, 2024, between our Company and the Registrar to the Issue
3. Banker to the Issue Agreement dated [●], between our Company, the Lead Manager, Registrar to the Issue and Bankers to the Issue.
4. Monitoring Agency Agreement dated [●], between our Company and the Monitoring Agency

### **B. Material Documents**

1. Certified copies of the updated Memorandum of Association and Articles of Association of our Company as amended.
2. Certificate of incorporation dated March 24, 2000 of our Company and fresh certificate of incorporation consequent to change of name pursuant to conversion to public limited company dated November 20, 2007.
3. Prospectus dated February 07, 2010 w.r.t. the immediately preceding public issue undertaken by our Company.
4. Consents of our Directors, Company Secretary and Compliance Officer, Lead Manager, Bankers to the Issue, Legal counsel to our Company as to Indian law, the Registrar to the Issue, the Independent Chartered Accountant, and the Monitoring Agency, for inclusion of their names in the Letter of Offer to act in their respective capacities.
5. Consent letter dated [●], 2024, from our Statutory Auditors, [●], to include their name in the Draft Letter of Offer, as an “expert” as defined under Section 2(38) of the Companies Act, 2013, in respect of and inclusion of (i) their audit report dated [●], 2024, in respect of the Audited Financial Statements, as applicable and (ii) the statement of possible special tax benefits available to our Company and its shareholders dated [●], 2024, and such consent has not been withdrawn as of the date of the Draft Letter of Offer.
6. Statement of possible special tax benefits available to our Company and, its shareholders dated [●], from the Statutory Auditors included in the Draft Letter of Offer.
7. Resolution of our Board of Directors dated September 26, 2024 in relation to this Issue and other related matters.
8. Resolution of Right Issue Committee dated [●] in relation to the terms of the Issue including the Record Date, Issue Price and Rights Entitlement ratio.
9. Resolution of our Right Issue Committee dated [●], approving and adopting the Letter of Offer.
10. Annual Reports of our Company for the Financial Years 2024, 2023, 2022, 2021 and 2020.
11. Limited reviewed unaudited financial statements for the six months period ended September 30, 2024.
12. Tripartite agreement dated February 06, 2008 amongst our Company, NSDL and the Registrar to the Issue.

13. Tripartite agreement dated January 29, 2008 amongst our Company, CDSL and the Registrar to the Issue.
14. Due diligence certificate dated [●], addressed to SEBI from the Lead Manager.
15. In-principle listing approvals dated [●] and [●] issued by BSE and NSE, respectively.

Any of the contracts or documents mentioned in the Draft Letter of Offer may be amended or modified at any time if so, required in the interest of our Company or if required by the other parties, without reference to the Eligible Equity Shareholders, subject to compliance with applicable law.



## DECLARATION

I hereby certify that no statement made in the Draft Letter of Offer contravenes any of the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 and the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by Securities and Exchange Board of India, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in the Draft Letter of Offer are true and correct.

**Signed by the Director of our Company**

Sd/-

**Balarama Govinda Das**  
**Managing Director**

Date: December 23, 2024

Place: Madurai

## DECLARATION

I hereby certify that no statement made in the Draft Letter of Offer contravenes any of the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 and the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by Securities and Exchange Board of India, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in the Draft Letter of Offer are true and correct.

**Signed by the Director of our Company**

Sd/-

**BA Ramesh**  
**Joint Managing Director**

Date: December 23, 2024

Place: Madurai

## DECLARATION

I hereby certify that no statement made in the Draft Letter of Offer contravenes any of the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 and the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by Securities and Exchange Board of India, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in the Draft Letter of Offer are true and correct.

**Signed by the Director of our Company**

Sd/-

**NB Kumar**

**Joint Managing Director**

Date: December 23, 2024

Place: Madurai

## DECLARATION

I hereby certify that no statement made in the Draft Letter of Offer contravenes any of the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 and the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by Securities and Exchange Board of India, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in the Draft Letter of Offer are true and correct.

**Signed by the Director of our Company**

Sd/-

**Yamuna Vasini Deva Dasi**  
**Director**

Date: December 23, 2024

Place: Madurai

## DECLARATION

I hereby certify that no statement made in the Draft Letter of Offer contravenes any of the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 and the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by Securities and Exchange Board of India, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in the Draft Letter of Offer are true and correct.

**Signed by the Director of our Company**

Sd/-

**S.M. Chandrasekaran**  
**Director**

Date: December 23, 2024

Place: Madurai

## DECLARATION

I hereby certify that no statement made in the Draft Letter of Offer contravenes any of the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 and the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by Securities and Exchange Board of India, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in the Draft Letter of Offer are true and correct.

**Signed by the Director of our Company**

Sd/-

**Rajakumari Jeevagan**  
**Director**

Date: December 23, 2024

Place: Madurai

## DECLARATION

I hereby certify that no statement made in the Draft Letter of Offer contravenes any of the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 and the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by Securities and Exchange Board of India, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in the Draft Letter of Offer are true and correct.

**Signed by the Director of our Company**

Sd/-

**N Jegatheesan  
Director**

Date: December 23, 2024

Place: Madurai

## DECLARATION

I hereby certify that no statement made in the Draft Letter of Offer contravenes any of the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 and the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by Securities and Exchange Board of India, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in the Draft Letter of Offer are true and correct.

**Signed by the Director of our Company**

Sd/-

**K Thirupathi Rajan**  
**Director**

Date: December 23, 2024

Place: Madurai



## DECLARATION

I hereby certify that no statement made in the Draft Letter of Offer contravenes any of the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 and the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by Securities and Exchange Board of India, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in the Draft Letter of Offer are true and correct.

**Signed by the Chief Financial Officer of our Company**

Sd/-

**B. Rajesh Kanna**  
**Chief Financial Officer**

Date: December 23, 2024

Place: Madurai