

RBZ

JEWELLERS

RBZ JEWELLERS LIMITED

Our Company was originally incorporated as "RBZ Jewellers Private Limited" as a private limited company under the provisions of the Companies Act, 1956 pursuant to a certificate of incorporation dated April 15, 2008 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Thereafter, our Company was converted to a public limited company, pursuant to a special resolution passed by our shareholders on February 25, 2023 and the name of our Company was changed to "RBZ Jewellers Limited" and a fresh certificate of incorporation bearing U36910GJ2008PLC053586 dated March 20, 2023 was issued to our Company by the Registrar of Companies, Ahmedabad. For details of change in the name and Registered and Corporate Office of our Company, see "History and Certain Corporate Matters" on page 200 of the Red Herring Prospectus dated December 12, 2023 ("RHP" or "Red Herring Prospectus").

Registered and Corporate Office: Block-D, Mondeal Retail Park, Near Rajpath Club, S.G. Highway, Beside Iscon Mall, Ahmedabad, Gujarat-380054, India; Contact Person: Heli Akash Garala, Company Secretary and Compliance Officer; Tel: +91- 79-69135737; Email: cs@rbzjewellers.com; Website: www.rbzjewellers.com; Corporate Identity Number: U36910GJ2008PLC053586.



(Please scan the QR code to view the RHP)

OUR PROMOTERS: RAJENDRAKUMAR KANTILAL ZAVERI AND HARIT RAJENDRAKUMAR ZAVERI

INITIAL PUBLIC ISSUE OF 1,00,00,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF RBZ JEWELLERS LIMITED ("OUR COMPANY "OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [•] PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹ [•] PER SHARE) ("ISSUE PRICE") AGGREGATING UP TO ₹ [•] LAKHS ("THE ISSUE"). THE ISSUE WILL CONSTITUTE [•]% OF OUR POST-ISSUE PAID-UP EQUITY SHARE CAPITAL.

We are one of the leading organised manufacturers of gold jewellery in India, specializing in Antique Bridal Gold Jewellery.

The Issue is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations.

• QIB Portion: Not more than 35% of the Issue • Non-Institutional Portion: Not less than 30% of the Issue • Retail Portion: Not less than 35% of the Issue

PRICE BAND: ₹ 95 TO ₹ 100 PER EQUITY SHARE OF FACE VALUE OF ₹ 10 EACH

THE FLOOR PRICE IS 9.5 TIMES THE FACE VALUE OF THE EQUITY SHARES AND THE CAP PRICE IS 10 TIMES THE FACE VALUE OF THE EQUITY SHARES

THE PRICE/EARNINGS RATIO BASED ON DILUTED EPS FOR FISCAL 2023 AT THE FLOOR PRICE IS 12.77 TIMES AND AT THE CAP PRICE IS 13.44 TIMES

BIDS CAN BE MADE FOR A MINIMUM OF 150 EQUITY SHARES AND IN MULTIPLES OF 150 EQUITY SHARES THEREAFTER

In accordance with the recommendation of Committee of Independent Directors of our Company, pursuant to their resolution dated December 13, 2023, the above provided price band is justified based on quantitative factors/ KPIs disclosed in the 'Basis for Issue Price' section of the RHP. The price band is in line with the weighted average cost of acquisition ("WACA") of primary and secondary transactions, as applicable, disclosed in the 'Basis for Issue Price' section on page 110-119 of the RHP.

In making an investment decision, potential investors must only rely on the information included in the Red Herring Prospectus and the terms of the Issue, including the risks involved and not rely on any other external sources of information about the Issue available in any manner.

RISKS TO INVESTORS:

- Negative Cash Flow:** We have had negative cash flows from operating activities of ₹ 540.29 lakhs, ₹ 1,122.74 lakhs and ₹ 264.08 lakhs for the period ended on September 30, 2023 and for the FY 2022-23 and FY 2020-21, respectively and may, in the future, experience similar negative cash flows. Negative cash flows over extended periods, or significant negative cash flows in the short term, could materially impact our ability to operate our business and implement our growth plans.
- Significant working capital requirements:** Our Company requires significant amount of working capital for continued growth. Our inability to meet our working capital requirements, on commercially acceptable terms, may have an adverse impact on our business, financial condition and results of operations. As on September 30, 2023, our Company had a total sanctioned limit of ₹ 7,990.00 lakhs towards working capital loan facilities. The working capital requirements for the period ended September 30, 2023 and for the FY 2022-23, FY 2021-22 and FY 2020-21 was ₹ 17,111.27 lakhs, ₹ 14,947.22 lakhs, ₹ 11,078.20 lakhs and ₹ 9,618.16 lakhs, respectively which have been met by short-term borrowing and internal accruals.
- Dependency on customers:** We are dependent on our long-term relationship with our customers. In particular, we process substantial volume of gold for our customers for whom we work on jobwork basis. If such customers were to suffer a deterioration of their business, cease doing business with us or substantially reduce their dealings with us, our revenues could decline, which could have adverse effect on our business, financial condition and results of operations. Our top 10 customers accounted for 19.27%, 20.68%, 27.19% and 38.74% of our total revenue from operations for the period ended September 30, 2023 and for the FY 2022-23, FY 2021-22 and FY 2020-21, respectively.
- The strength of our brand "RBZ Jewellers" along with "Harit Zaveri" is crucial to our success and we may not succeed in continuing to maintain and develop our brand.
- Ability to attract and retain skilled artisans:** Our manufacturing capabilities depend on our ability to attract and retain highly skilled artisans and employees. As on date we do not have any formal arrangement with our in-house artisans and we may fail to retain skilled artisans which may affect our design quality and could also lead to decrease in our manufacturing output which may adversely impact our business, results of operations and financial condition.
- Dependency on suppliers:** We do not currently have exclusive or fixed supply arrangements with any of our suppliers of gold, though we are dependent on a few suppliers. Any major disruption to the timely and adequate supplies of our raw materials could adversely affect our business, results of operations and financial condition. In the six months period ended September 30, 2023, Fiscal 2023, Fiscal 2022 and Fiscal 2021 we have met 58.37%, 62.35%, 81.93% and 81.10% of our total raw material needs relating to gold from our top 10 suppliers.
- Inventory Management:** Failure to manage our inventory could have an adverse effect on our net sales, profitability, cash flow and liquidity. Our total inventory for the period ended September 30, 2023 and for the FY 2022-23, FY 2021-22 and FY 2020-21 amounted to ₹ 17,820.67 lakhs, ₹ 14,924.12 lakhs, ₹ 11,906.11 lakhs and ₹ 9,151.56 lakhs, respectively.
- Our revenues have been significantly dependent on sale of gold jewellery and gold jewellery processed, which accounted for 88.26%, 87.96 %, 90.40 % and 88.35 % of our total revenue from operations for the six months period ended on September 30, 2023 and Fiscals 2023, 2022, 2021, respectively. Any factors adversely affecting the procurement of gold or our sales of gold jewellery may negatively impact our business, financial condition, results of operations and prospects.
- Sales-mix:** Our revenue and earnings are dependent on the sales mix consisting of retail and wholesale as well as provision of job work services and working capital requirements of each segment is different. If we are unable to

balance or maintain this sales mix or balance working capital requirement for every segment in future, there could be an adverse impact on our business, financial condition and results of operations.

- Machinery and technology:** We are dependent on our machinery and technology for our operations. Any break-down of our machinery may disrupt our manufacturing process. If we fail to adopt new and improved technologies, our competitors may gain advantage over us. Both of these events may have an impact on our business, financial results and growth prospects. Our success and financial condition will depend on our ability to maximise our manufacturing capacities with the help of machinery and technologies.
- Changes in demands and market trends:** Our inability to respond to changes in demands and market trends in a timely manner and failure to expand our product offering in a diversified manner may have an adverse effect on our business, results of operations and financial condition.
- Quality Control:** Any failure to maintain our quality control processes in relation to our manufacturing facility as well as third-party manufacturing facilities, our inability to maintain or establish formal arrangements with third party manufacturers, and any disruptions at our manufacturing facility and/or such third-party manufacturing facilities, may have an adverse effect on our business, brand, results of operations and financial condition.
- Delay in payment of Statutory Dues:** Our Company has delayed in payment of statutory dues in the past under the statutory provisions of the IT Act, the Central Goods and Services Tax Act, 2017, the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and for Employee State Insurance Act, 1948 ("ESI Act"). Such non-compliance and delayed compliance may attract penalties against our Company which could impact the financial position of us to that extent.
- Concentration Risk:** Our manufacturing facility and showroom are located only in Ahmedabad, Gujarat. Any adverse development affecting such region may have an adverse effect on our business, prospects, financial condition, and results of operations.
- Our Promoters will continue to retain significant control in our Company, which will allow them to influence the outcome of matters submitted to shareholders for approval.
- Our income and sales are subject to seasonal fluctuations and lower income in a peak season may have a disproportionate effect on our results of operations.
- If we fail to convert existing customers into repeat customers or to acquire new customers, our business, financial condition, and results of operations could have an adverse effect.
- Average cost of acquisition of Equity Shares by the Promoters is 1.35 and 0.82 per Equity Share and Issue Price at upper end of the Price Band is ₹ 100/- per Equity Share.
- The weighted average return on Net Worth for Fiscals 2023, 2022 and 2021 is 21.86%.
- The weighted average cost of acquisition of all shares transacted in past one year, eighteen months and three years preceding the date of the RHP.

Period preceding the date of Red Herring Prospectus	Weighted Average cost of acquisition (in ₹)	Cap Price is "X" times the weighted average cost of acquisition	Range of acquisition price: Lower price – highest price (₹)
Last 1 year, last 18 months and last 3 years	Nil**	Not Applicable	Not Applicable

**Cost is Nil due to issuance of Equity Shares pursuant to bonus issue and transfer of shares by way of gift – as certified by G. K. Choksi & Co., Chartered Accountants, by way of their certificate dated December 02, 2023

- The BRLM associated with the Issue has handled 1 public issue in the past three years and the same has not closed below the offer price on listing date.