



## SENCO GOLD LIMITED

Our Company was originally incorporated as Senco Gold Private Limited at Kolkata, West Bengal, India, as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated August 22, 1994, issued by the Registrar of Companies, West Bengal at Kolkata ("RoC"). Subsequently, pursuant to a resolution passed at the meeting of the Board of Directors held on June 27, 2007 and a special resolution of the shareholders of our Company at the EGM held on August 8, 2007, the name of our Company was changed to Senco Gold Limited, pursuant to its conversion into a public limited company. A fresh certificate of incorporation dated August 31, 2007, consequent to the change of name, was issued by the RoC. For further details regarding changes in the name and Registered and Corporate Office of our Company, please refer to the section titled "General Information" on page 314.

**Registered and Corporate Office:** Diamond Prestige, 41A, A.J.C. Bose Road, 10<sup>th</sup> floor, Unit no. 1001, Kolkata-700017, West Bengal, India

**Contact person:** Mukund Chandak, Company Secretary and Compliance Officer

**Telephone:** +91 33 4021 5000; **E-mail:** corporate@sencogold.co.in; **Website:** www.sencogoldanddiamonds.com; **CIN:** L36911WB1994PLC064637

Issue of up to [●] equity shares of face value ₹ 10\* each of our Company ("Equity Shares") at a price of ₹ [●] per Equity Share (the "Issue Price"), including a premium of ₹ [●] per Equity Share, aggregating to ₹ [●] million (the "Issue"). For further details, please refer to the section titled "Summary of the Issue" on page 45.

\*Our Board of Directors pursuant to their resolution dated October 4, 2024 and our Shareholders pursuant to a special resolution passed by way of a postal ballot on November 26, 2024, have approved the sub-division of each equity share of our Company of face value ₹ 10 each into 2 equity shares of face value of ₹ 5 each. However, as on the date of this PPD, we are yet to give effect to the sub-division including announcement of the record date for effecting the sub-division and completion of the corporate actions thereunder.

**[THIS ISSUE IS BEING UNDERTAKEN IN RELIANCE UPON CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS") AND SECTION 42 AND SECTION 62 OF THE COMPANIES ACT, 2013 READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES") AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER, EACH AS AMENDED (THE "COMPANIES ACT")]**

OUR COMPANY HAS PREPARED THIS PRELIMINARY PLACEMENT DOCUMENT SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE ISSUE. THE ISSUE AND THE DISTRIBUTION OF THIS PRELIMINARY PLACEMENT DOCUMENT IS BEING MADE TO ELIGIBLE QIBs (AS DEFINED HEREINAFTER) IN RELIANCE UPON SECTION 42 OF THE COMPANIES ACT, READ WITH RULE 14 OF THE PAS RULES AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT AND CHAPTER VI OF THE SEBI ICDR REGULATIONS. THIS PRELIMINARY PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR. THE ISSUE DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR TO ANY OTHER PROSPECTIVE INVESTOR OR CLASS OR CATEGORY OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN ELIGIBLE QIBs. THIS PRELIMINARY PLACEMENT DOCUMENT SHALL BE CIRCULATED ONLY TO SUCH ELIGIBLE QIBs WHOSE NAMES ARE RECORDED BY OUR COMPANY PRIOR TO MAKING AN INVITATION TO SUBSCRIBE TO THE EQUITY SHARES.

YOU MAY NOT AND ARE NOT AUTHORISED TO: (1) DELIVER THIS PRELIMINARY PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THIS PRELIMINARY PLACEMENT DOCUMENT IN ANY MANNER WHATSOEVER; OR (3) RELEASE ANY PUBLIC ADVERTISEMENTS OR UTILISE ANY MEDIA, MARKETING OR DISTRIBUTION CHANNELS OR AGENTS TO INFORM THE PUBLIC AT LARGE ABOUT THE ISSUE. ANY DISTRIBUTION OR REPRODUCTION OF THIS PRELIMINARY PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN VIOLATION OF THE COMPANIES ACT, THE SEBI ICDR REGULATIONS OR OTHER APPLICABLE LAWS OF INDIA AND OF OTHER JURISDICTIONS.

INVESTMENTS IN EQUITY SHARES INVOLVE A HIGH DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THE ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ THE SECTION "RISK FACTORS" ON PAGE 57 BEFORE MAKING AN INVESTMENT DECISION RELATING TO THE ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES TO BE ISSUED PURSUANT TO THIS PRELIMINARY PLACEMENT DOCUMENT AND THE PLACEMENT DOCUMENT (AS DEFINED HEREINAFTER). PROSPECTIVE INVESTORS SHALL CONDUCT THEIR OWN DUE DILIGENCE ON THE EQUITY SHARES AND OUR COMPANY. IF YOU DO NOT UNDERSTAND THE CONTENTS OF THIS PRELIMINARY PLACEMENT DOCUMENT AND/OR THE PLACEMENT DOCUMENT, YOU SHOULD CONSULT AN AUTHORISED FINANCIAL ADVISOR AND/OR LEGAL ADVISOR.

The Equity Shares are listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE", and together with BSE, the "Stock Exchanges"). The closing price of the outstanding Equity Shares on BSE and NSE as on December 9, 2024 was ₹ 1,143.20 and ₹ 1,142.90 per Equity Share, respectively. Our Company has received in-principle approvals pursuant to Regulation 28(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations"), for listing of the Equity Shares to be issued pursuant to the Issue from BSE and NSE, each on December 10, 2024. Our Company shall make applications to the Stock Exchanges for obtaining the final listing and trading approvals for the Equity Shares to be issued pursuant to this Issue. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed, or reports contained herein. Admission of the Equity Shares to be issued pursuant to this Issue for trading on the Stock Exchanges should not be taken as an indication of the merits of our Company or of the Equity Shares.

A copy of this Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4 (as defined hereinafter)) has been delivered to the Stock Exchanges and a copy of the Placement Document (which shall also include disclosures prescribed under Form PAS-4) will be delivered to the Stock Exchanges in due course. Our Company shall also make requisite filings with the RoC (as defined hereinafter), within the stipulated timeframe prescribed under the Companies Act and the PAS Rules. This Preliminary Placement Document has not been reviewed by the Securities and Exchange Board of India ("SEBI"), the Stock Exchanges, the RoC or any other regulatory or listing authority and is intended only for use by Eligible QIBs (as defined hereinafter). This Preliminary Placement Document has not been and will not be filed as a prospectus with the RoC, will not be circulated or distributed to the public in India or any other jurisdiction, and the Issue will not constitute a public offer in India or any other jurisdiction.

Invitations, offers and sales of Equity Shares to be issued pursuant to the Issue shall only be made pursuant to this Preliminary Placement Document together with the Application Form, the Placement Document and the Confirmation of Allocation Note (as defined hereinafter). For further details, please refer to the section titled "Issue Procedure" on page 261. The distribution of this Preliminary Placement Document or the disclosure of its contents, without our Company's prior consent, to any person, other than Eligible QIBs and persons retained by Eligible QIBs to advise them with respect to their purchase of Equity Shares, is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and to make no copies of this Preliminary Placement Document or any documents referred to in this Preliminary Placement Document.

The Equity Shares offered in the Issue have not been and will not be registered under the United States Securities Act of 1933, as amended ("U.S. Securities Act"), or the securities laws of any state of the United States and may not be offered or sold in 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 any applicable state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions" as defined in, and in reliance on, Regulation S under the U.S. Securities Act ("Regulation S") and the applicable laws of the jurisdictions where such offers and sales are made. The Equity Shares are transferable only in accordance with the restrictions described in the sections titled "Selling Restrictions" and "Purchaser Representations and Transfer Restrictions" on pages 277 and 285, respectively.

The information on our Company's website or any website directly or indirectly linked to our Company's website or the websites of the BRLMs (as defined hereinafter) or any of their respective affiliates does not constitute or form a part of this Preliminary Placement Document and prospective investors should not rely on such information contained in, or available through, any such websites for their investment in this Issue.

This Preliminary Placement Document is dated December 10, 2024.

### BOOK RUNNING LEAD MANAGERS



AMBIT PRIVATE LIMITED



EMKAY GLOBAL FINANCIAL SERVICES LIMITED

The information in this Preliminary Placement Document is not complete and may be changed. The Issue is meant only for Eligible QIBs under Chapter VI of the SEBI ICDR Regulations, on a private placement basis and is not an offer to the public or to any other class of investors to purchase the Equity Shares. This Preliminary Placement Document is not an offer to sell any Equity Shares and is not soliciting an offer to subscribe to or buy the Equity Shares in any jurisdiction where such offer, sale or subscription is not permitted. It is being issued for the sole purpose of information or discussion relating to the Equity Shares that may be issued through the Placement Document.

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## NOTICE TO INVESTORS

Our Company has furnished and accepts full responsibility for all the information contained in this Preliminary Placement Document and confirms that to the best of our knowledge and belief, having made all reasonable enquiries, this Preliminary Placement Document contains all the information with respect to our Company, our Subsidiaries and the Equity Shares which is material in the context of the Issue. The statements contained in this Preliminary Placement Document relating to our Company, our Subsidiaries and the Equity Shares are, in all material respects, true, accurate and not misleading, and the opinions and intentions expressed in this Preliminary Placement Document with regard to our Company, our Subsidiaries and the Equity Shares are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions and information presently available to our Company and our Subsidiaries. There are no other facts in relation to our Company, our Subsidiaries and the Equity Shares, the omission of which would, in the context of the Issue, make any statement in this Preliminary Placement Document misleading in any material respect. Further, our Company has made all reasonable enquiries to ascertain such facts and to verify the accuracy of all such information and statements. Unless otherwise stated, all information in this Preliminary Placement Document is provided as of the date of this Preliminary Placement Document and neither our Company nor the Book Running Lead Managers has any obligation to update such information to a later date. The information contained in this Preliminary Placement Document has been provided by our Company and from other sources identified herein.

Ambit Private Limited and Emkay Global Financial Services Limited (the “**Book Running Lead Managers**” or “**BRLMs**”) have not separately verified all of the information contained in this Preliminary Placement Document (financial, legal or otherwise). Accordingly, neither the BRLMs nor any of their respective shareholders, employees, counsels, officers, directors, representatives, agents, associates or affiliates make any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by such persons, as to the accuracy or completeness of the information contained in this Preliminary Placement Document or any other information (financial, legal or otherwise) supplied in connection with our Company, our Subsidiaries and the Equity Shares or distribution of this Preliminary Placement Document. Each person receiving this Preliminary Placement Document acknowledges that such person has not relied either on the BRLMs or on any of their respective shareholders, employees, counsels, officers, directors, representatives, agents, associates or any other affiliates in connection with such person’s investigation of the accuracy of such information or such person’s investment decision, and each such person must rely on its own examination of our Company and our Subsidiaries and the merits and risks involved in investing in the Equity Shares offered in the Issue.

No person is authorised to give any information or to make any representation not contained in this Preliminary Placement Document and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of our Company or by or on behalf of the BRLMs. Neither the delivery of this Preliminary Placement Document nor any issue of Equity Shares made hereunder shall, under any circumstances, constitute a representation or create any implication that the information contained in this Preliminary Placement Document is correct as of any time subsequent to its date.

**The Equity Shares have not been approved, disapproved or recommended by any regulatory authority in any jurisdiction, including the United States Securities and Exchange Commission, any other federal or state authorities in the United States, the securities authorities of any non-United States jurisdiction or any other United States or non-United States regulatory authority. No authority has passed on or endorsed the merits of the Issue or the accuracy or adequacy of this Preliminary Placement Document. Any representation to the contrary may be a criminal offence in certain jurisdictions.**

**The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act, or the securities laws of any state of the United States and may not be offered or sold in 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 any applicable state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in “offshore transactions” as defined in, and in reliance on, Regulation S and the applicable laws of the jurisdictions where such offers and sales are made. For further details, see “*Selling Restrictions*” and “*Purchaser Representations and Transfer Restrictions*” on pages 277 and 285, respectively.**

**Subscribers and purchasers of the Equity Shares offered in the Issue will be deemed to make the representations, warranties, acknowledgements and agreements set forth in, and the Equity Shares are transferable only in accordance with, the restrictions described in the sections titled “*Representations by***

***Investors”, “Selling Restrictions” and “Purchaser Representations and Transfer Restrictions” beginning on pages 7, 277 and 285, respectively of this Preliminary Placement Document.***

The distribution of this Preliminary Placement Document or the disclosure of its contents without the prior consent of our Company to any person, other than Eligible QIBs, whose names are recorded by our Company prior to the invitation to subscribe to the Issue, in consultation with the Book Running Lead Managers, or its representatives, and those retained by the Eligible QIBs to advise them with respect to their purchase of the Equity Shares, is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and not further distribute or make any copies of this Preliminary Placement Document or any documents referred to in this Preliminary Placement Document. Any reproduction or distribution of this Preliminary Placement Document, in whole or in part, and any disclosure of its contents to any other person is prohibited.

The distribution of this Preliminary Placement Document and the issue of the Equity Shares may be restricted in certain jurisdictions under applicable laws. As such, this Preliminary Placement Document does not constitute, and may not be used for, or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. In particular, no action has been or will be taken by our Company and the Book Running Lead Managers which would permit an offering of the Equity Shares or distribution of this Preliminary Placement Document in any jurisdiction, other than India, where action for that purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Preliminary Placement Document, nor any offering material in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. For further details refer to “*Selling Restrictions*” and “*Purchaser Representations and Transfer Restrictions*” on page 277 and 285

In making an investment decision, the prospective investors must rely on their own examination of our Company, our Subsidiaries, the Equity Shares and the terms of the Issue, including the merits and risks involved. Prospective investors should not construe the contents of this Preliminary Placement Document as legal, business, tax, accounting or investment advice. Prospective investors should consult their own counsel and advisors as to business, investment, legal, tax, accounting and related matters concerning the Issue. In addition, our Company or the BRLMs are not making any representation to any prospective investor, purchaser, offerree or subscriber of the Equity Shares in relation to this Issue regarding the legality or suitability of an investment in the Equity Shares by such prospective investor, purchaser, offeree or subscriber under applicable legal, investment or similar laws or regulations. Prospective investors should conduct their own due diligence on the Equity Shares and our Company.

Each investor, purchaser, offeree or subscriber of the Equity Shares in the Issue is deemed to have acknowledged, represented and agreed that it is an Eligible QIB and is eligible to invest in India and in our Company under applicable law, including Chapter VI of the SEBI ICDR Regulations, Sections 42 and 62 of the Companies Act, read with Rule 14 of the PAS Rules and other provisions of the Companies Act, and that it is not prohibited by SEBI or any other regulatory, statutory or judicial authority, in India or any other jurisdiction, from buying, selling or dealing in securities, including the Equity Shares or otherwise accessing the capital markets in India. Each investor, purchaser, offeree or subscriber of the Equity Shares in the Issue also acknowledges that it has been afforded an opportunity to request from our Company and review information relating to our Company and the Equity Shares.

This Preliminary Placement Document contains summaries of certain terms of certain documents, which summaries are qualified in their entirety by the terms and conditions of such documents.

Our Company and the BRLMs are not liable for any amendment or modification or change to applicable laws or regulations that may occur after the date of this Preliminary Placement Document. QIBs (as defined hereinafter) are advised to make their independent investigations and satisfy themselves that they are eligible to apply. QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document. Further, QIBs are required to satisfy themselves that their Bids would not eventually result in triggering a tender offer under the Takeover Regulations (as defined hereafter) and the QIBs shall be solely responsible for compliance with the provisions of the Takeover Regulations, SEBI Insider Trading Regulations (as defined hereafter) and other applicable laws, rules, regulations, guidelines and circulars.

The information on our Company's website, [www.sencogoldanddiamonds.com](http://www.sencogoldanddiamonds.com), or any website directly or indirectly linked to the website of our Company or on the websites of the BRLMs or any of their respective affiliates or agents, other than this Preliminary Placement Document, does not and shall not constitute nor form part of this Preliminary Placement Document. Prospective investors should not rely on any such information contained in, or available through, any such websites.

Our Company agrees to comply with any undertakings given by it from time to time in connection with the Equity Shares to the Stock Exchanges and without prejudice to the generality of foregoing, shall furnish to the Stock Exchanges all such information as the rules of the Stock Exchanges may require in connection with the listing of the Equity Shares on the Stock Exchanges.

## **NOTICE TO INVESTORS IN CERTAIN OTHER JURISDICTIONS**

This Preliminary Placement Document is not an offer to sell securities and is not soliciting an offer to subscribe to or buy securities in any jurisdiction where such offer, solicitation, sale or subscription is not permitted. For information relating to investors in certain other jurisdictions, please refer to the sections titled “*Selling Restrictions*” and “*Purchaser Representations and Transfer Restrictions*” on pages 277 and 285, respectively.

## REPRESENTATIONS BY INVESTORS

All references to “you” or “your” in this section are to the Bidders in this Issue. By Bidding for and/or subscribing to any of the Equity Shares under this Issue, you are deemed to have represented, warranted, acknowledged undertaken, and agreed to the contents set forth in the sections titled “*Notice to Investors*”, “*Selling Restrictions*” and “*Purchaser Representations and Transfer Restrictions*” on pages 3, 277 and 285, respectively, and to have represented, warranted, acknowledged and agreed to our Company and each of the BRLMs as follows:

1. You are a “**Qualified Institutional Buyer**” as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations and not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, having a valid and existing registration under applicable laws and regulations of India, and undertake to (i) acquire, hold, manage or dispose of any Equity Shares that are Allotted (hereinafter defined) to you in accordance with Chapter VI of the SEBI ICDR Regulations, the Companies Act and all other applicable laws; and (ii) comply with the SEBI ICDR Regulations, the Companies Act and all other requirements under applicable law in this relation, including reporting obligations, requirements/ making necessary filings, if any, in connection with the Issue or otherwise accessing capital markets;
2. You are eligible to invest in India under applicable law, including the FEMA Rules (as defined hereinafter) and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI, RBI or any other regulatory authority, statutory authority or otherwise, from buying, selling, or dealing in securities or otherwise accessing capital markets in India;
3. If you are not a resident of India, but a QIB, you are an Eligible FPI (and are not an individual, corporate body or a family office), having a valid and existing registration with SEBI under the applicable laws in India or a multilateral or bilateral development financial institution, and are eligible to invest in India under applicable law, including the SEBI FPI Regulations, FEMA Rules, and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets. You confirm that you are not an FVCI;
4. You will provide the information as required under the Companies Act, the PAS Rules and applicable SEBI ICDR Regulations and other applicable rules for record keeping by our Company, including your name, nationality, complete address, phone number, e-mail address, permanent account number (if applicable) and bank account details and such other details as may be prescribed or otherwise required even after the closure of the Issue and the list of Eligible QIBs including the aforementioned details shall be filed with the RoC, as may be required under the Companies Act and other applicable laws;
5. You are eligible to invest and hold the Equity Shares of our Company in accordance with the FDI Policy (as defined hereinafter), read along with the press note no. 3 (2020 series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, and the related amendments to the FEMA Rules, wherein if the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, foreign direct investments can only be made through the Government approval route, as prescribed in the FEMA Rules. You confirm that no government approval is required under the FEMA Rules, as mandated under the Companies (Share Capital and Debenture) Rules, 2014 and the Companies (Prospectus and Allotment of Securities) Rules, 2014, each as amended;
6. If you are Allotted Equity Shares pursuant to the Issue, you shall not, for a period of one year from the date of Allotment (as defined hereinafter), sell the Equity Shares so acquired, except on the floor of the Stock Exchanges and in accordance with any other resale restrictions applicable to you. You hereby make the representations, warranties, acknowledgements, undertakings and agreements in the sections titled “*Selling Restrictions*” and “*Purchaser Representations and Transfer Restrictions*” on pages 277 and 285, respectively;
7. You are aware that this Preliminary Placement Document and the Placement Document has not been and will not be filed as a prospectus with the RoC under the Companies Act, the SEBI ICDR Regulations or under any other law in force in India and no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than Eligible QIBs. You acknowledge that this Preliminary Placement Document has not been reviewed, verified or affirmed by the RBI, SEBI, the Stock Exchanges, the RoC or any other regulatory or listing authority and is intended only for use by Eligible QIBs. This Preliminary Placement Document has been filed and the Placement Document will be filed with

the Stock Exchanges for record purposes only and will be displayed on the websites of our Company and the Stock Exchanges;

8. You are permitted to subscribe for and acquire the Equity Shares under the laws of all relevant jurisdictions that apply to you and that you have fully observed such laws and you have necessary capacity, have obtained all necessary consents, governmental or otherwise and authorisations and complied and shall comply with all necessary formalities, to enable you to participate in the Issue and to perform your obligations in relation thereto (including, without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorisations to agree to the terms set out or referred to in this Preliminary Placement Document), and will honour such obligations;
9. You are aware that our Company, the BRLMs and their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates are not making any recommendations to you or advising you regarding the suitability of investing in the Equity Shares offered in the Issue and your participation in the Issue is on the basis that you are not, and will not, up to the Allotment, be a client of the BRLMs. You acknowledge that the BRLMs and their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates do not have any duties or responsibilities to you for providing the protection afforded to their clients or customers or for providing advice in relation to the Issue and are not, in any way, acting in any fiduciary capacity in relation to you;
10. You confirm that, either: (i) you have not participated in or attended any investor meetings or presentations by our Company or its agents (the “**Company Presentations**”) with regard to our Company or the Issue; or (ii) if you have participated in or attended any Company Presentations: (a) you understand and acknowledge that the BRLMs may not have knowledge of the statements that our Company or its agents may have made at such Company Presentations and are therefore unable to determine whether the information provided to you at such Company Presentations may have included any material misstatements or omissions, and, accordingly you acknowledge that the BRLMs have advised you not to place undue reliance in any way on any information that was provided to you at such Company Presentations, and (b) confirm that you have not been provided any material or price sensitive information relating to our Company and the Issue that was not publicly available;
11. Your decision to subscribe to the Equity Shares to be issued pursuant to the Issue has not been made on the basis of any information, that is not set forth in this Preliminary Placement Document;
12. You are subscribing to the Equity Shares to be issued pursuant to the Issue in accordance with applicable laws and by participating in this Issue, you are not in violation of any applicable law, including but not limited to the SEBI Insider Trading Regulations, the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, as amended, and the Companies Act;
13. You understand that the Equity Shares being issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association of our Company and will be credited as fully paid-up and will rank *pari passu* in all respects with the existing Equity Shares including the right to receive dividend and other distributions declared.
14. You acknowledge that all statements other than statements of historical fact included in this Preliminary Placement Document, including, without limitation, those regarding us or our financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our business), are forward-looking statements. You are aware that, such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. You acknowledge that all forward-looking statements are based on numerous assumptions regarding our present and future business strategies and environment in which we will operate in the future. You shall not place undue reliance on forward-looking statements, which speak only as at the date of this Preliminary Placement Document. You acknowledge that none of our Company, the BRLMs or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates assume any responsibility to update any of the forward-looking statements contained in this Preliminary Placement Document;

15. You are aware and understand that the Equity Shares are being offered only to Eligible QIBs on a private placement basis and are not being offered to the general public, or any other category of investors other than Eligible QIBs, and the Allotment of the same shall be at the sole discretion of our Company, in consultation with the BRLMs;
16. You are aware that in terms of the requirements of the Companies Act, upon Allocation, our Company will be required to disclose names and percentage of post-Issue shareholding of the proposed Allottees in the Placement Document, as applicable. You acknowledge that the disclosure of such details in relation to the proposed Allottees in the Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the BRLMs;
17. You are aware that the pre-Issue and post-Issue shareholding pattern of our Company, as required by the SEBI Listing Regulations, will be filed by our Company with the Stock Exchanges;
18. You are aware that if you together with any other Eligible QIBs belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in the Issue, our Company shall be required to disclose your name and the number of the Equity Shares Allotted to you to the Stock Exchanges and the Stock Exchanges will make the same available on their website and you consent to such disclosures;
19. You have been provided a serially numbered copy of this Preliminary Placement Document and have read it in its entirety, including in particular, the section titled “*Risk Factors*” on page 57;
20. In making your investment decision, you have: (i) relied on your own examination of us, the Equity Shares and the terms of the Issue, including the merits and risks involved, (ii) made and will continue to make your own assessment of us, the Equity Shares and the terms of the Issue, based solely on and in reliance of the information contained in this Preliminary Placement Document and no other disclosure or representation by our Company or any other party, (iii) consulted your own independent counsel and advisors or otherwise have satisfied yourself concerning, without limitation, the effects of local laws (including tax laws), (iv) received all information that you believe is necessary or appropriate in order to make an investment decision in respect of us and the Equity Shares, and (v) relied upon your own investigation and resources in deciding to invest in the Issue;
21. Neither our Company, the BRLMs nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates have provided you with any tax advice or otherwise made any representations regarding the tax consequences of purchase, ownership and disposal of the Equity Shares (including the Issue and the use of proceeds from the Equity Shares) offered in the Issue;
22. You will obtain your own independent tax advice from a service provider and will not rely on the BRLMs or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates when evaluating the tax consequences in relation to the Equity Shares (including in relation to limited to the Issue and the use of the proceeds from the Equity Shares). You waive, and agree not to assert any claim against us or the BRLMs or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates with respect to the tax aspects of the Equity Shares or as a result of any tax audits by tax authorities, wherever situated;
23. You are a sophisticated investor and have such knowledge and experience in financial, business and investment matters as to be capable of evaluating the merits and risks of an investment in the Equity Shares. You are experienced in investing in private placement transactions of securities of companies in a similar nature of business, similar stage of development and in similar jurisdictions. You and any managed accounts for which you are subscribing for the Equity Shares: (i) are aware that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment and are each able to bear the economic risk of the investment in the Equity Shares including the complete loss on the investment in the Equity Shares; (ii) will not look to our Company and/or the BRLMs or any of their respective shareholders, directors, officers, employees, counsels, advisors, representatives, agents or affiliates for all or part of any such loss or losses that may be suffered in connection with the Issue, including losses arising out of non-performance by our Company of any of its respective obligations or any breach of any representations and warranties by our Company, whether to you or otherwise; (iii) have no need for liquidity with respect to the investment in the Equity Shares; and (iv) you are seeking to subscribe to the Equity Shares in the Issue for your investment purposes and not with a view to resell or distribute such Equity Shares and

have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares;

24. You are outside the United States and are subscribing for the Equity Shares in an “offshore transaction” as defined in, and in reliance on, Regulation S and the applicable laws of the jurisdiction where those offers and sales are made;
25. You are not acquiring or subscribing for the Equity Shares as a result of any “directed selling efforts” (as defined in Regulation S). You understand and agree that the Equity Shares are transferable only in accordance with the restrictions described in the sections titled “*Selling Restrictions*” and “*Purchaser Representations and Transfer Restrictions*” on pages 277 and 285, respectively;
26. You are not a ‘promoter’ of our Company (as defined under Section 2(69) of the Companies Act and under Regulation 2(o) of the SEBI ICDR Regulations), and are not a person related to our Promoters, either directly or indirectly, and your Bid (hereinafter defined) does not directly or indirectly represent the Promoters or members of the Promoter Group (as defined under the SEBI ICDR Regulations) of our Company or persons or entities related thereto;
27. You have no rights under a shareholders’ agreement or voting agreement entered into with the Promoters or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board of Directors of our Company, other than the rights, if any, acquired in the capacity of a lender not holding any Equity Shares (a QIB who does not hold any Equity Shares and who has acquired the said rights in the capacity of a lender shall not be deemed to be a person related to our Promoters);
28. You agree in terms of Section 42 of the Companies Act and Rule 14 of the PAS Rules, that our Company shall make necessary filings with the RoC as may be required under the Companies Act;
29. You acknowledge that you will have no right to withdraw your Application Form or revise your Bid downwards after the Bid/ Issue Closing Date (as defined hereinafter);
30. You are eligible to Bid for and hold the Equity Shares so Allotted, together with any Equity Shares held by you prior to the Issue. You further confirm that your aggregate holding after the Allotment of the Equity Shares shall not exceed the level permissible as per any applicable law;
31. The Bid made by you would not ultimately result in triggering an open offer under the Takeover Regulations (as defined herein) and you shall be solely responsible for compliance with all other applicable provisions of the Takeover Regulations;
32. Your aggregate equity shareholding in our Company, together with other Eligible QIBs that belong to the same group or are under common control as you, pursuant to the Allotment under the Issue shall not exceed 50.00% of the Issue Size. For the purposes of this representation:
  - a) Eligible QIBs “belonging to the same group” shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15.00% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, amongst an Eligible QIB, its subsidiary or holding company and any other Eligible QIBs; and
  - b) ‘Control’ shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the Takeover Regulations;
33. You shall not undertake any trade in the Equity Shares credited to your beneficiary account until such time that the final listing and trading approvals for such Equity Shares to be issued pursuant to this Issue are issued by the Stock Exchanges;
34. You understand and agree that the Equity Shares are transferable only in accordance with the restrictions described in “*Purchaser Representations and Transfer Restrictions*” on page 285.
35. You are aware that: (i) applications for in-principle approval, in terms of Regulation 28(1)(a) of the SEBI Listing Regulations, for listing and admission of the Equity Shares to be issued pursuant to the Issue and for

trading on the Stock Exchanges, were made and an in-principle approval has been received by our Company from each of the Stock Exchanges, and (ii) the application for the final listing and trading approval will be made only after Allotment. There can be no assurance that the final listing and trading approvals for listing of the Equity Shares, to be issued pursuant to this Issue, will be obtained in time or at all. Neither our Company nor the BRLMs nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates shall be responsible for any delay or non-receipt of such final listing and trading approvals or any loss arising from such delay or non-receipt;

36. You are aware and understand that the BRLMs have entered into a Placement Agreement with our Company whereby the BRLMs have, subject to the satisfaction of certain conditions set out therein, undertaken to use its reasonable efforts to procure subscription for the Equity Shares on the terms and conditions set forth therein;
37. You understand that the contents of this Preliminary Placement Document are exclusively the responsibility of our Company, and that neither the BRLMs nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates nor any person acting on its or their behalf or any of the counsels or advisors to the Issue has or shall have any liability for any information, representation or statement contained in this Preliminary Placement Document or any information previously published by or on behalf of our Company and will not be liable for your decision to participate in the Issue based on any information, representation or statement contained in this Preliminary Placement Document or otherwise. By accepting a participation in the Issue, you agree to the same and confirm that the only information you are entitled to rely on, and on which you have relied in committing yourself to acquire the Equity Shares is contained in this Preliminary Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares, you have neither received nor relied on any other information, representation, warranty or statement made by or on behalf of the BRLMs or our Company or any other person, and the BRLMs or our Company or any of their respective affiliates, including any view, statement, opinion or representation expressed in any research published or distributed by them, the BRLMs and their respective affiliates will not be liable for your decision to accept an invitation to participate in the Issue based on any other information, representation, warranty, statement or opinion;
38. You understand that the BRLMs or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates do not have any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in the Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Issue, including the non-performance by our Company or any of its obligations or any breach of any representations or warranties by us, whether to you or otherwise;
39. You are able to purchase the Equity Shares offered in the Issue in accordance with the restrictions described in “*Selling Restrictions*” on page 277 and you have made, or are deemed to have made, as applicable, the representations, warranties, acknowledgements, undertakings and agreements in “*Selling Restrictions*” on page 277;
40. You agree that any dispute arising in connection with the Issue shall be governed by and construed in accordance with the laws of Republic of India, and the courts in Kolkata, India shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with this Preliminary Placement Document, the Placement Document and this Issue;
41. You acknowledge that this Preliminary Placement Document does not, and the Placement Document shall not confer upon or provide you with any right of renunciation of the Equity Shares offered through the Issue in favour of any person;
42. You will make the payment for subscription to the Equity Shares pursuant to this Issue from your own bank account. In case of joint holders, the monies shall be paid from the bank account of the person whose name appears first in the application;
43. You are aware that in terms of the SEBI FPI Regulations and the FEMA Rules, the total holding by each FPI including its investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than fifty percent or common control) shall be below 10% of the total paid-up equity share capital of our Company on a fully diluted basis and the total holdings of all FPIs put together shall not exceed the sectoral cap applicable to our Company. In terms of the FEMA Rules, for calculating the

total holding of FPIs in a company, holding of all registered FPIs shall be included. Hence, Eligible FPIs may invest in such number of Equity Shares in this Issue such that (i) the individual investment of the FPI in our Company does not exceed 10% of the post-Issue paid-up Equity Share capital of our Company on a fully diluted basis and (ii) the aggregate investment by FPIs in our Company does not exceed the sectoral cap applicable to our Company. In case the holding of an FPI together with its investor group increases to 10% or more of the total paid-up Equity Share capital, on a fully diluted basis, such FPI together with its investor group shall divest the excess holding within a period of five trading days from the date of settlement of the trades resulting in the breach. If however, such excess holding has not been divested within the specified period of five trading days, the entire shareholding of such FPI together with its investor group will be re-classified as FDI, subject to the conditions as specified by SEBI and the RBI in this regard and compliance by our Company and the investor with applicable reporting requirements and the FPI and its investor group will be prohibited from making any further portfolio investment in our Company under the SEBI FPI Regulations;

44. You represent that you are not an affiliate of our Company or the BRLMs or a person acting on behalf of such affiliate;
45. You are aware and understand that you are allowed to place a Bid for Equity Shares. Please note that submitting a Bid for Equity Shares should not be taken to be indicative of the number of Equity Shares that will be Allotted to a successful Bidder. Allotment of Equity Shares will be undertaken by our Company, in its absolute discretion, in consultation with the BRLMs;
46. Each of the representations, warranties, acknowledgements and agreements set out above shall continue to be true and accurate at all times up to and including the Allotment, listing and trading of the Equity Shares in the Issue;
47. You agree to indemnify and hold our Company, the BRLMs and their respective directors, officers, employees, affiliates, associates, controlling persons and representatives harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the foregoing representations, warranties, acknowledgements and undertakings made by you in this Preliminary Placement Document. You agree that the indemnity set out in this paragraph shall survive the resale of the Equity Shares by, or on behalf of, the managed accounts;
48. You will make all necessary filings with appropriate regulatory authorities, including the RBI, as required pursuant to applicable laws;
49. You acknowledge that our Company, the BRLMs, their respective affiliates, directors, officers, counsels, employees, shareholders, representatives, agents, controlling persons and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings, and that they are irrevocable;
50. If you are acquiring the Equity Shares to be issued pursuant to this Issue for one or more managed accounts, you represent and warrant that you are authorised in writing, by each such managed account to acquire such Equity Shares for each managed account and hereby make the representations, warranties, acknowledgements, undertakings and agreements herein for and on behalf of each such account, reading the reference to “you” to include such accounts; and
51. It is agreed that if any of such representations, warranties, acknowledgements and undertakings are no longer accurate, you will promptly notify our Company and the BRLMs.

## OFFSHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an Eligible FPI including affiliates of the BRLMs, which is registered as a Category I FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying, and all such offshore derivative instruments are referred to herein as “**P-Notes**”), and persons who are eligible for registration as Category I FPIs can subscribe to or deal in such P-Notes provided that in the case of an entity that has an investment manager who is from the Financial Action Task Force member country, such investment manager shall not be required to be registered as a Category I FPI. The above-mentioned category I FPIs may receive compensation from the purchasers of such instruments. An FPI will collect the regulatory fee of USD 1,000 or any other amount, as may be specified by SEBI from time to time, from every subscriber of offshore derivative instrument issued by it and deposit such regulatory fee with SEBI by way of electronic transfer in the designated bank account of SEBI.

In terms of Regulation 21 of SEBI FPI Regulations, P-Notes may be issued only by such persons who are registered as Category I FPIs and they may be issued only to persons eligible for registration as Category I FPIs, subject to exceptions provided in the SEBI FPI Regulations and compliance with ‘know your client’ requirements, as specified by SEBI and subject to payment of applicable regulatory fee and in compliance with such other conditions as may be specified by SEBI from time to time. An Eligible FPI shall also ensure that no transfer of any instrument referred to above is made to any person unless such FPIs are registered as Category I FPIs and such instrument is being transferred only to person eligible for registration as Category I FPIs subject to requisite consents being obtained in terms of Regulation 21 of SEBI FPI Regulations. P-Notes have not been and are not being offered or sold pursuant to this Preliminary Placement Document. This Preliminary Placement Document does not contain any information concerning P-Notes or the issuer(s) of any P-Notes, including without limitation, any information regarding any risk factors relating thereto.

For further details relating to investment limits of FPIs, please refer to the section titled “*Issue Procedure*” on page 261. P-Notes may be issued only in favour of those entities which meet the eligibility criteria as laid down in Regulation 4 of the SEBI FPI Regulations. Pursuant to its circular dated June 10, 2016, SEBI has introduced additional requirements applicable to P-Notes, including (i) KYC norms for issuers of P-Notes which require identification and verification of beneficial owners of entities subscribing to the P-Note holding more than a prescribed threshold; (ii) the requirement for issuers to file suspicious transaction reports with the Indian Financial Intelligence Unit; and (iii) the requirement for the issuer to report details of intermediate transfers in the monthly reports on P-Notes submitted to SEBI. An Eligible FPI shall also ensure that no further issue or transfer of any instrument referred to above is made by or on behalf of it to any person other than such entities regulated by appropriate foreign regulatory authorities.

Subject to certain relaxations provided under Regulation 22(4) of the SEBI FPI Regulations, investment by a single FPI including its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control,) is not permitted to be 10% or above of our post-Issue Equity Share capital on a fully diluted basis (“**Investment Restrictions**”). The SEBI has, *vide* a circular dated November 5, 2019, issued the operational guidelines for FPIs, designated depository participants and eligible foreign investors (the “**FPI Operational Guidelines**”), to facilitate implementation of the SEBI FPI Regulations. In terms of such FPI Operational Guidelines, the Investment Restrictions shall also apply to subscribers of P-Notes and two or more subscribers of P-Notes having common ownership, directly or indirectly, of more than 50% or common control shall be considered together as a single subscriber of the P-Notes. Further, in the event a prospective investor has investments as an FPI and as a subscriber of P-Notes, the Investment Restrictions shall apply on the aggregate of the FPI investments and P-Notes positions held in the underlying company.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, read with the FDI Policy, issued by the Department for Promotion of Industry and Internal Trade, Government of India, investments where the entity is of a country which shares land border with India or where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the FDI Policy and FEMA Rules. These investment restrictions shall also apply to subscribers of P-Notes.

Affiliates of the BRLMs who are Eligible FPIs may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue P-Notes in respect thereof. Any P-Notes that may be issued are not securities of our Company and do not constitute any obligation of, claims on or interests in our Company. Our Company

has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to any P-Notes. Any P-Notes that may be offered are issued by, and are the sole obligations of, third parties that are unrelated to our Company. Our Company and the BRLMs do not make any recommendation as to any investment in P-Notes and do not accept any responsibility whatsoever in connection with any P-Notes. Any P-Notes that may be issued are not securities of the BRLMs and does not constitute any obligations of or claims on the BRLMs.

**Prospective investors interested in purchasing any P-Notes have the responsibility to obtain adequate disclosures as to the issuer(s) of such P-Notes and the terms and conditions of any such P-Notes from the issuer(s) of such P-Notes. Neither SEBI nor any other regulatory authority has reviewed or approved any P-Notes or any disclosure related thereto. Prospective investors are urged to consult their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations.**

Also please refer to the sections titled “*Selling Restrictions*” and “*Purchaser Representations and Transfer Restrictions*” beginning on pages 277 and 285, respectively.

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## **DISCLAIMER CLAUSE OF THE STOCK EXCHANGES**

As required, a copy of this Preliminary Placement Document has been submitted to each of the Stock Exchanges. The Stock Exchanges do not in any manner:

1. warrant, certify or endorse the correctness or completeness of the contents of this Preliminary Placement Document; or
2. warrant that the Equity Shares to be issued pursuant to this Issue, will be listed or will continue to be listed on the Stock Exchanges; or
3. take any responsibility for the financial or other soundness of our Company, our Subsidiaries, our Promoters, our management or any scheme or project of our Company.

It should not, for any reason be deemed or construed to mean that this Preliminary Placement Document has been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquires any Equity Shares may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges whatsoever, by reason of any loss which may be suffered by such person consequent to or in connection with, such subscription/acquisition, whether by reason of anything stated or omitted to be stated herein, or for any other reason whatsoever.

## **PRESENTATION OF FINANCIAL AND OTHER INFORMATION**

### **Certain conventions**

In this Preliminary Placement Document, unless otherwise specified or the context otherwise indicates or implies, references to ‘you’, ‘bidder’, ‘your’, ‘offeree’, ‘purchaser’, ‘subscriber’, ‘recipient’, ‘investor(s)’, ‘prospective investors’ and ‘potential investor’ are to the Eligible QIBs who are the prospective investors in the Equity Shares issued pursuant to the Issue, references to “our Company”, “the Company” or the “Issuer” are to Senco Gold Limited on a standalone basis and references to ‘we’, ‘us’, ‘our’ or the ‘Group’ are to Senco Gold Limited together with our Subsidiaries, on a consolidated basis.

### **Currency and units of presentation**

In this Preliminary Placement Document, (i) references to ‘₹’, ‘INR’, ‘Rs.’, ‘Indian Rupees’ and ‘Rupees’ are to the legal currency of the Republic of India; (ii) references to ‘US\$’, ‘USD’ and ‘U.S. dollars’ are to the legal currency of the United States of America; and (iii) references to ‘AED’ are to the legal currency of United Arab Emirates. All references herein to the ‘US’ or ‘U.S.’ or the ‘United States’ are to the United States of America, its territories and possessions, any State of the United States, and the District of Columbia. All references herein to “India” are to the Republic of India and its territories and possessions and all references herein to the ‘Government’ or ‘GoI’ or the ‘Central Government’ or the ‘State Government’ are to the Government of India, central or state, as applicable.

References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable.

The figures in this Preliminary Placement Document have been presented in million or in whole numbers where the numbers have been too small to present in million, unless stated otherwise. Further, certain figures in the “*Industry Overview*” section of this Preliminary Placement Document have been presented in billion and trillion.

The figures in our Audited Consolidated Financial Statements and the Unaudited Consolidated Financial Results are presented in million. Further, in this Preliminary Placement Document, unless the context requires otherwise or unless stated otherwise, all financial information related to our Company for Fiscals 2024, 2023 and 2022 has been derived from the Audited Consolidated Financial Statements and all financial information related to our Company for the six months period ended September 30, 2024 has been derived from the Unaudited Consolidated Financial Results.

In this Preliminary Placement Document, references to “million(s)” represents “1,000,000”, “lakh(s)” represents “1,00,000” or “0.1 million”, “billion” represents “1,000,000,000” or “1,000 million” or “100 crore” and “trillion” represents “1,000,000,000,000” or “1,000,000 million” or “100,000 crore”.

Unless otherwise specified, all financial numbers in parentheses represent negative figures.

### **Page numbers**

Unless otherwise stated, all references to page numbers in this Preliminary Placement Document are to page numbers of this Preliminary Placement Document.

### **Financial data and other information**

Our Company publishes its financial statements in Indian Rupees. The financial year of our Company commences on April 1 of each calendar year and ends on March 31 of the following calendar year, and, unless otherwise specified or if the context requires otherwise, all references to the terms “Fiscal”, “Fiscals” or “Fiscal Year”, “FY”, refer to the 12-month period ending March 31 of that particular year and references to a ‘year’ are to the calendar year ending on December 31 of that year.

As required under the applicable regulations, and for the convenience of prospective investors, we have included the following in this Preliminary Placement Document:

- i. audited consolidated financial statements of our Company as at and for the Fiscals 2024, 2023 and 2022, prepared in accordance with the Indian Accounting Standards (“**Ind AS**”) prescribed under Section 133 of the Companies Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended

from time to time and other relevant provisions of the Companies Act along with the respective audit reports thereon (collectively, the “**Audited Consolidated Financial Statements**”); and

- ii. the unaudited consolidated financial results of our Company for the six months period ended September 30, 2024, prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards (“**Ind AS**”) 34 “Interim Financial Reporting” prescribed under Section 133 of the Companies Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33, of the SEBI Listing Regulations along with the limited review report thereon (the “**Unaudited Consolidated Financial Results**” and together with the Audited Consolidated Financial Statements, the “**Financial Statements**”);

For further information, please refer to the sections titled “*Financial Information*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 316 and 118, respectively.

The Audited Consolidated Financial Statements should be read along with the respective audit reports, and the Unaudited Consolidated Financial Results should be read along with the corresponding review report. The Unaudited Consolidated Financial Results have been subjected to review conducted in accordance with Standard on Review Engagement (SRE) 2410 “Review of interim financial statement performed by the Independent Auditor of the Entity” issued by the Institute of Chartered Accountants of India (“**ICAI**”). Further, our Unaudited Consolidated Financial Results are not necessarily indicative of results that may be expected for the full financial year or any future reporting period and are not comparable with the annual financials.

Our Company prepares its financial statements in accordance with Ind AS. Ind AS differs from accounting principles with which prospective investors may be familiar in other countries, including U.S. GAAP or IFRS. Our Company does not attempt to quantify the impact of U.S. GAAP or IFRS on the financial data included in this Preliminary Placement Document, nor does our Company provide a reconciliation of its audited consolidated financial statements or the unaudited consolidated financial results, to IFRS or U.S. GAAP. Accordingly, the degree to which the financial information included in this Preliminary Placement Document will provide meaningful information is entirely dependent on the reader’s familiarity with the respective Indian accounting policies and practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Preliminary Placement Document should accordingly be limited. Prospective investors are advised to consult their advisors before making any investment decision. Also, please refer to the section titled “*Risk Factors – Significant differences exist between Ind AS and other accounting principles, such as U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition.*” on page 93.

Certain figures and percentages contained in this Preliminary Placement Document, including financial information and other data points, have been subject to rounding adjustments and have been rounded off to the nearest whole number/absolute percentage. Any discrepancies in any table between the totals and the sum of the amounts listed are due to rounding off. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given, and (ii) the sum of the figures in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Unless stated otherwise or context requires otherwise, all figures from or derived from the Audited Consolidated Financial Statements of our Company are in decimals and have been rounded off to two decimal points. Certain operational numbers may have been rounded off to one decimal point in some instances. Unless otherwise specified, all financial numbers in parenthesis represent negative figures. Further, any figures sourced from third-party industry sources may be rounded off to other than two decimal points to conform to their respective sources.

### **Non-GAAP Measures**

We have included certain non-GAAP measures such as Interest Coverage Ratio, Debt to Equity, Return on Equity, Return on Capital Employed, Revenue CAGR and Inventory Turnover Ratio (together, “**Non-GAAP Measures**” and each, a “**Non-GAAP Measure**”), presented in this Preliminary Placement Document are supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, IFRS or US GAAP. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, IFRS or US GAAP. In addition, these Non-GAAP Measures are not standardized terms, hence a direct comparison of these Non-GAAP Measures between companies may not be

possible. Other companies may calculate these Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. Although such Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our management believes that such Non-GAAP Measures provide investors with additional information about our performance, as well as ability to incur and service debt and make capital expenditures and are measures commonly used by investors, securities analysts, and others to evaluate the operational performance of the information technology businesses, many of which provide such Non-GAAP Measures and other statistical and operational information when reporting their financial information. The Non-GAAP Measures described herein are not a substitute for Ind AS measures of earnings and may not be comparable to similarly titled *measures* reported by other companies due to differences in the way these measures are calculated. In addition, you should note, that other companies in the same industry as ours may calculate and present these data in a different manner and, therefore, you should use caution in comparing our data with data presented by other companies, as the data may not be directly comparable. Also, please refer to the section titled “*Risk Factors – Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance have been included in this Preliminary Placement Document. These non-GAAP financial measures are not measures of operating performance or liquidity defined by Ind AS and may not be comparable.*” on page 89.

## INDUSTRY AND MARKET DATA

Information regarding market size, market share, market position, growth rates and other industry data pertaining to our business contained in this Preliminary Placement Document consists of estimates based on data reports compiled by governmental bodies, professional organisations and analysts and on data from other external sources, and on our knowledge of markets in which we compete.

Unless stated otherwise, statistical information, industry and market data used throughout this Preliminary Placement Document has been obtained from the report titled “*Industry Research Report on Indian Gems and Jewellery*” dated December 2024 prepared by CARE Analytics and Advisory Private Limited (“**CARE Report**”), which is a report commissioned and paid for by us, exclusively in connection with the Issue.

This information is subject to change and cannot be certified with complete certainty due to limits on the availability and reliability of raw data and other limitations and uncertainties inherent in any statistical survey. The extent to which the market and industry data used in this Preliminary Placement Document is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. Further, the calculation of certain statistical and/ or financial information/ ratios specified in the sections titled “*Our Business*”, “*Risk Factors*” and “*Management’s Discussions and Analysis of Results of Operations and Financial Condition*” on pages 210, 57 and 118, respectively, and otherwise in this Preliminary Placement Document may vary from the manner such information is calculated under and for purposes of, and as specified in, the CARE Report. Data from these sources may also not be comparable.

Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. Such information involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in “*Risk Factors – Certain sections of this Preliminary Placement Document disclose information from the industry report which has been commissioned and paid for by us exclusively in connection with the Issue and any reliance on such information for making an investment decision in the Issue is subject to inherent risks.*” on page 86.

## FORWARD-LOOKING STATEMENTS

Certain statements contained in this Preliminary Placement Document that are not statements of historical fact constitute “forward-looking statements.” Investors can generally identify forward-looking statements by terminology such as “aim”, “anticipate”, “believe”, “continue”, “could”, “estimate”, “expect”, “intend”, “can”, “could”, “may”, “objective”, “plan”, “potential”, “project”, “pursue”, “shall”, “should”, “will”, “would”, “will likely result”, “is likely”, “are likely”, “believe”, “expect”, “expected to”, “will continue”, “will pursue”, “will achieve”, or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements. All statements regarding the intentions, beliefs or current expectations of our Company concerning, amongst other things, the expected results of operations, financial condition, liquidity, prospects, growth, revenue, profitability (including, without limitation, any financial or operating projections or forecasts), business strategies and dividend policy of our Company and the industry in which we operate, and other matters discussed in this Preliminary Placement Document are forward-looking statements.

These forward-looking statements and any other projections contained in this Preliminary Placement Document (whether made by our Company or any third party) are based on our current plans, estimates, presumptions and expectations are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements or other projections.

Important risk factors that could cause our actual results, performances and achievements to be materially different from any of the forward-looking statements include, among others:

- *We face significant competition in the Indian jewellery market, we risk losing substantial portion of our customers and our market share which will adversely affect our business, financial condition, results of operations and prospects.*
- *Our revenues have been significantly dependent on sale of gold jewellery, which accounted for 85.11%, 85.36%, 88.03% and 85.76% of our total revenue from operations for Fiscals 2024, 2023 and 2022 and for the six months period ended September 30, 2024, 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.*
- *Our income and sales are subject to seasonal fluctuations and fluctuations across formats and lower income in a peak season may have a disproportionate effect on our results of operations. Therefore, a sequential quarter-to-quarter comparison of our results of operations may not be a good indicator of our performance.*
- *Due to the geographic concentration of our sales in the eastern and north eastern regions of India, our results of operations and financial condition are subject to fluctuations in regional economic conditions.*
- *If we are unable to continue to develop innovative, fashionable and popular designs, demand for our jewellery may decrease, adversely affecting our revenues and financial condition.*

Additional factors that could cause our actual results, performance or achievements to differ include but are not limited to, those discussed in “Risk Factors”, “Our Business”, “Industry Overview” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 57, 210, 153 and 118, respectively.

By their nature, certain market risk disclosures are only estimates and could be materially different from what occurs in the future. As a result, actual future gains, losses or impact on revenue or income could materially differ from those that have been estimated, expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

The forward-looking statements contained in this Preliminary Placement Document are based on the beliefs of the management, as well as the assumptions made by and information currently available to the management. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, the prospective investors are cautioned not to place undue reliance on such forward-looking statements. In any event,

these statements speak only as of the date of this Preliminary Placement Document or the respective dates indicated in this Preliminary Placement Document, and neither we, the BRLMs nor any of their respective affiliates undertake any obligation to update or revise any of them, whether as a result of new information, future events, changes in assumptions or changes in factors affecting these forward-looking statements or otherwise.

If any of these risks and uncertainties materialize, or if any of our underlying assumptions prove to be incorrect, our actual results of operations or cash flows or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

## ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a public company incorporated under the laws of India. All of our Directors, and all of our Key Managerial Personnel and members of the Senior Management named in this Preliminary Placement Document, are residents of India and a significant portion of the assets of our Company are located in India. As a result, it may be difficult or may not be possible for the prospective investors outside India to affect service of process upon our Company or such persons in India, or to enforce against them judgments of courts outside India.

India is not a signatory to any international treaty in relation to the recognition or enforcement of foreign judgments. However, recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A, respectively, of the Civil Code. Section 13 of the Civil Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or between parties under whom they or any of them claim litigating under the same title, except:

1. where the judgment has not been pronounced by a court of competent jurisdiction;
2. where the judgment has not been given on the merits of the case;
3. where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases in which such law is applicable;
4. where the proceedings in which the judgment was obtained were opposed to natural justice;
5. where the judgment has been obtained by fraud; and
6. where the judgment sustains a claim founded on a breach of any law then in force in India.

A foreign judgment which is conclusive under Section 13 of the Civil Code may be enforced either by a fresh suit upon the judgment or by proceedings in execution. Section 44A of the Civil Code provides that a foreign judgment rendered by a superior court (within the meaning of that section) in any jurisdiction outside India which the Government has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a competent court in India. Under Section 14 of the Civil Code, a court in India will, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the foreign judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record, but such presumption may be displaced by proving want of jurisdiction. However, Section 44A of the Civil Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalties and does not include arbitration awards (even if such an award is enforceable as a decree or judgement).

The following territories have been declared to be reciprocating territories within the meaning of Section 44A of the Civil Code by the Government: the United Kingdom; Aden; Fiji; Republic of Singapore; Federation of Malaysia; Trinidad and Tobago; New Zealand, the Cook Islands (including Niue) and the Trust Territories of Western Samoa; Hong Kong; Papua New Guinea; Bangladesh; and United Arab Emirates. The United States has not been declared by the Government of India to be a reciprocating territory for the purposes of Section 44A of the Civil Code. A foreign judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a fresh suit upon the foreign judgment and not by proceedings in execution. The suit must be filed in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India. Accordingly, a judgment of a court in the United States may be enforced only by a fresh suit upon the foreign judgment and not by proceedings in execution.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it views the amount of damages awarded as excessive or inconsistent with public policy of India and it is uncertain whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. Further, any judgment or award denominated in a foreign currency would be converted into Indian Rupees on the date of such judgment or award and not on the date of payment. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered, pursuant to the execution of such foreign judgement, and we cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approvals would be acceptable and additionally, any such amount may be subject to income tax pursuant to execution of such a judgment in accordance with applicable laws. It is unlikely that an

Indian court would enforce foreign judgments that would be contrary to or in violation of Indian law. Our Company and the Book Running Lead Managers cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

## EXCHANGE RATES INFORMATION

Fluctuations in the exchange rate between the Rupee and foreign currencies will affect the foreign currency equivalent of the Rupee price of the Equity Shares traded on the Stock Exchanges. These fluctuations will also affect the conversion into foreign currencies of any cash dividends paid in Rupees on the Equity Shares.

The following table sets forth information, for the period indicated with respect to the exchange rates between the Rupee and U.S. Dollar, for the periods indicated. The exchange rates are based on the reference rates released by the RBI and Financial Benchmark India Private Limited (“**FBIL**”), which are available on the website of the RBI and FBIL. No representation is made that any Rupee amounts could have been, or could be, converted into U.S. Dollars at any particular rate, the rates stated below, or at all.

|                                 | Period end <sup>(1)</sup> | Average <sup>(2)</sup> | High <sup>(3)</sup> | Low <sup>(4)</sup> |
|---------------------------------|---------------------------|------------------------|---------------------|--------------------|
| (₹ per US\$)                    |                           |                        |                     |                    |
| <b>Fiscal ended<sup>^</sup></b> |                           |                        |                     |                    |
| March 31, 2024                  | 83.38                     | 82.79                  | 83.60               | 81.69              |
| March 31, 2023                  | 82.22                     | 80.39                  | 83.20               | 75.39              |
| March 31, 2022                  | 75.81                     | 74.51                  | 76.92               | 72.48              |
| <b>Month ended<sup>^</sup></b>  |                           |                        |                     |                    |
| November 30, 2024               | 84.50                     | 84.36                  | 84.50               | 83.11              |
| October 31, 2024                | 84.09                     | 84.02                  | 84.09               | 83.81              |
| September 30, 2024              | 83.79                     | 83.81                  | 83.98               | 83.49              |
| August 31, 2024                 | 83.87                     | 83.90                  | 83.97               | 83.73              |
| July 31, 2024                   | 83.74                     | 83.59                  | 83.74               | 83.40              |
| June 30, 2024                   | 83.45                     | 83.47                  | 83.59               | 83.07              |

(Source: [www.rbi.org.in](http://www.rbi.org.in) and [www.fbil.org.in](http://www.fbil.org.in))

**Notes:**

<sup>(1)</sup> The price for the period end refers to the price as on the last trading day of the respective fiscal year or monthly period.

<sup>(2)</sup> Represents the average of the official rate for each working day of the relevant period.

<sup>(3)</sup> Maximum of the official rate for each Working Day of the relevant period.

<sup>(4)</sup> Minimum of the official rate for each Working Day of the relevant period.

Period end, high, low and average rates are based on the FBIL reference rates and rounded off to two decimal places.

<sup>^</sup>If the RBI/ FBIL reference rate is not available on a particular date due to a public holiday, exchange rates of the previous working day have been disclosed. The RBI/ FBIL reference rates are rounded off to two decimal places.

## DEFINITIONS AND ABBREVIATIONS

*This Preliminary Placement Document uses the definitions and abbreviations set forth below which you should consider when reading the information contained herein. The following list of certain capitalised terms used in this Preliminary Placement Document is intended for the convenience of the reader / prospective investor only and is not exhaustive.*

*Unless otherwise specified, the capitalised terms used in this Preliminary Placement Document shall have the meaning as defined hereunder. Further, any references to any statute, rules, guidelines, regulations, agreement, document or policies shall include amendments made thereto, from time to time.*

*The words and expressions used in this Preliminary Placement Document but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act, or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in the section “Industry Overview”, “Taxation”, “Legal Proceedings” and “Financial Information” on pages 153, 297, 301 and 316, respectively, shall have the meaning given to such terms in such sections.*

### General terms

| Term                                                      | Description                                                                                                                                                                                                                                                      |
|-----------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “our Company” or “the Company” or “the Issuer” or “Senco” | Senco Gold Limited, a company incorporated in India under the Companies Act, 1956 and having its Registered Office and Corporate Office at Diamond Prestige, 41A, A.J.C Bose Road, 10 <sup>th</sup> floor, Unit no. 1001, Kolkata – 700 017, West Bengal, India. |
| “the Group” or “us” or “we” or “our”                      | Senco Gold Limited, together with its Subsidiaries, on a consolidated basis, unless otherwise specified or the context otherwise requires.                                                                                                                       |

### Company related terms

| Term                                             | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|--------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Articles” or “Articles of Association” or “AoA” | The articles of association of our Company, as amended from time to time.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Audit Committee                                  | The audit committee of our Board constituted in accordance with the applicable provisions of the Companies Act, 2013, SEBI Listing Regulations and as described in “Board of Directors and Senior Management” on page 239.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Audited Consolidated Financial Statements        | The audited consolidated financial statements of our Company and our Subsidiaries as at and for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 prepared in accordance with Ind AS, which comprises the consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of cash flows and the statement of changes in equity, and notes to the consolidated financial statements, including a summary of material/significant accounting policies and other explanatory information, as prescribed under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. |
| “Auditors” or “Statutory Auditors”               | The current statutory auditors of our Company, Walker Chandiok & Co LLP.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| “Board of Directors” or “Board” or “our Board”   | The board of directors of our Company or a committee thereof.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| CCPS                                             | Compulsory Convertible Preference Shares as defined in the Companies Act.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Chairperson                                      | The chairperson of our Company, being Ranjana Sen.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| “Chief Executive Officer” or “CEO”               | The chief executive officer of our Company, being Suvankar Sen.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| “Chief Financial Officer” or “CFO”               | The chief financial officer of our Company, being Sanjay Banka.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Company Secretary and Compliance Officer         | The company secretary and compliance officer of our Company, namely Mukund Chandak.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

| Term                                                 | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Corporate Social Responsibility Committee            | The corporate social responsibility committee of our Board constituted in accordance with the applicable provisions of the Companies Act, 2013 and as described in “ <i>Board of Directors and Senior Management</i> ” on page 239.                                                                                                                                                                                                                                                                                                                                                                                  |
| CARE Report                                          | Report titled “ <i>Industry Research Report on Indian Gems and Jewellery</i> ” dated December 2024 prepared by CARE Analytics and Advisory Private Limited, commissioned and paid for by us, exclusively in connection with the Issue.                                                                                                                                                                                                                                                                                                                                                                               |
| Director(s)                                          | Director(s) on the Board of our Company, unless otherwise specified.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Equity Shares                                        | The equity Shares of our Company of face value of ₹ 10* each.<br>*Our Board of Directors pursuant to their resolution dated October 4, 2024, and our Shareholders pursuant to a special resolution passed by way of a postal ballot on November 26, 2024, have approved the sub-division of each equity share of our Company of face value ₹ 10 each into 2 equity shares of face value of ₹ 5 each. However, as on the date of this PPD, we are yet to give effect to the sub-division including announcement of the record date for effecting the sub-division and completion of the corporate actions thereunder. |
| ESOP Scheme 2018                                     | Senco Gold Limited Employee Stock Option Scheme 2018, as amended from time to time.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Executive Directors                                  | Executive directors of our Company. For further details of the Executive Directors, see “ <i>Board of Directors and Senior Management</i> ” on page 239.                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Financial Statements                                 | Together, the Audited Consolidated Financial Statements and Unaudited Consolidated Financial Results                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Founder Chairman                                     | Late Sankar Sen.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Independent Director(s)                              | The independent director(s) of our Company, as disclosed in the section titled “ <i>Board of Directors and Senior Management</i> ” on page 239.                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Individual Promoter                                  | Our individual promoter, Suvankar Sen.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| “Key Managerial Personnel” or “KMP(s)”               | Key managerial personnel of our Company in terms of Section 2(51) of the Companies Act, as disclosed in the section titled “ <i>Board of Directors and Senior Management</i> ” on page 239.                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Managing Director                                    | The managing director of our Company, being Suvankar Sen.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| “Memorandum of Association” or “Memorandum” or “MoA” | The memorandum of association of our Company, as amended from time to time.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Nomination, Remuneration and Compensation Committee  | The nomination, remuneration and compensation committee of our Company, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations and as described in “ <i>Board of Directors and Senior Management</i> ” on page 239.                                                                                                                                                                                                                                                                                                                                    |
| Non-Executive Director(s)                            | Non-Executive Director(s) on our Board appointed as per the Companies Act and the Listing Regulations as disclosed in the section titled “ <i>Board of Directors and Senior Management</i> ” on page 239.                                                                                                                                                                                                                                                                                                                                                                                                            |
| Non-Executive Independent Director                   | Non-Executive Independent Director(s) on our Board.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Promoters                                            | The promoters of our Company in terms of the SEBI ICDR Regulations, and the Companies Act, namely, Suvankar Sen, Jai Hanuman Shri Siddhivinayak Trust and Om Gaan Ganpataye Bajrangbali Trust.                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Promoter Group                                       | The entities constituting our promoter group pursuant to Regulation 2(1)(pp) of the SEBI ICDR Regulations.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| QIP Committee                                        | The committee of our Board of Directors constituted pursuant to the resolution passed by our Board on October 4, 2024, to facilitate this Issue                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Registered and Corporate Office                      | Registered and corporate office of our Company located at Diamond Prestige, 41A, A.J.C Bose Road, 10th floor, Unit no. 1001, Kolkata – 700 017, West Bengal, India.                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| “Registrar of Companies” or “RoC”                    | The registrar of companies, West Bengal at Kolkata.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Risk Management Committee                            | The risk management committee of our Company, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations and as described in “ <i>Board of Directors and Senior Management</i> ” on page 239.                                                                                                                                                                                                                                                                                                                                                              |
| “Senior Management” or “Senior Managerial Personnel” | Members of the senior management of our Company as determined in accordance with the Regulation 2(1)(bbbb) of the SEBI ICDR Regulations,                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |

| Term                                     | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                          | and as disclosed in the section titled “ <i>Board of Directors and Senior Management</i> ” on page 239.                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Shareholders                             | The holder(s) of Equity Shares from time to time, unless otherwise specified in the context thereof.                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Stakeholders’ Relationship Committee     | The stakeholders’ relationship committee of our Company, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations and as described in “ <i>Board of Directors and Senior Management</i> ” on page 239.                                                                                                                                                                                                                                                                                               |
| Subsidiaries                             | Subsidiaries of our Company, being:<br><br>(i) Senco Gold Artisanship Private Limited;<br>(ii) Senco Global Jewellery Trading L.L.C.; and<br>(iii) Sennes Fashion Limited.                                                                                                                                                                                                                                                                                                                                                                                       |
| Unaudited Consolidated Financial Results | The unaudited consolidated financial results of our Company for the six months period ended September 30, 2024, prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards (“ <b>Ind AS</b> ”) 34 “Interim Financial Reporting” prescribed under Section 133 of the Companies Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33, of the SEBI Listing Regulations along with the limited review report thereon |
| Whole Time Director                      | Whole-time Director(s) on our Board                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |

#### Issue related terms

| Term                                       | Description                                                                                                                                                                                                                                                              |
|--------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Allocated” or “Allocation”                | The allocation of Equity Shares following the determination of the Issue Price to investors on the basis of Application Forms submitted by them, in consultation with the BRLMs and in compliance with Chapter VI of the SEBI ICDR Regulations.                          |
| “Allot” or “Allotment” or “Allotted”       | The issue and allotment of Equity Shares pursuant to this Issue.                                                                                                                                                                                                         |
| Allottee(s)                                | Bidders who are Allotted Equity Shares of our Company pursuant to this Issue.                                                                                                                                                                                            |
| Application Form                           | Serially numbered, specifically addressed bid-cum application form (including any revisions thereof) pursuant to which a Bidder indicates its interest to subscribe for the Equity Shares of our Company pursuant to the Issue.                                          |
| Bid(s)                                     | An indication of interest by an Eligible QIB, including all revisions and modifications of interest, as provided in the Application Form, to subscribe for Equity Shares to be issued pursuant to this Issue. The term “Bidding” shall be construed accordingly.         |
| Bid Amount                                 | The price per Equity Share indicated in the Bid multiplied by the number of Equity Shares Bid for by a Bidder and payable by the Bidder in the Issue on submission of the Application Form.                                                                              |
| Bidder(s)                                  | Any prospective investor, being an Eligible QIB who makes a Bid pursuant to the terms of this Preliminary Placement Document and the Application Form.                                                                                                                   |
| “Bidding Period” or “Issue Period”         | The period between the Issue Opening Date and Issue Closing Date, inclusive of both dates, during which Bidders can submit their Bids including any revision and/or modifications thereof.                                                                               |
| “Book Running Lead Managers” or “BRLMs”    | Ambit Private Limited and Emkay Global Financial Services Limited.                                                                                                                                                                                                       |
| “CAN” or “Confirmation of Allocation Note” | Note or advice or intimation to Bidders confirming the Allocation of Equity Shares to such Eligible QIBs after determination of the Issue Price, and requesting payment for the entire applicable Issue Price for all the Equity Shares Allocated to such Eligible QIBs. |

| Term                        | Description                                                                                                                                                                                                                                                                                                                                                                                                |
|-----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Closing Date                | The date on which the Allotment of the Equity Shares offered pursuant to this Issue shall be made, i.e., on or about [●], 2024.                                                                                                                                                                                                                                                                            |
| Cut-off Price               | The Issue Price of the Equity Shares to be issued pursuant to the Issue which shall be finalised by our Company in consultation with the BRLMs.                                                                                                                                                                                                                                                            |
| Designated Date             | The date of credit of Equity Shares pursuant to the Issue to the Allottees' demat accounts, as applicable to the relevant Allottees.                                                                                                                                                                                                                                                                       |
| Eligible FPI(s)             | FPIs under FEMA, the SEBI FPI Regulations and any other applicable law, other than individuals, corporate bodies and family offices, that are eligible to participate in this Issue, participating through Schedule II of the FEMA Rules                                                                                                                                                                   |
| Eligible QIB(s)             | Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations that are eligible to participate in the Issue and which are not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations and are not restricted from participating in the Issue under applicable law.                                                                                       |
| Escrow Account              | A non-interest bearing, no-lien, current bank account without any cheques or overdraft facilities, opened with the Escrow Bank, subject to the terms of the Escrow Agreement, into which the Application Amount shall be deposited by Eligible QIBs and refunds, if any, shall be remitted to unsuccessful Bidders as set out in the Application Form.                                                     |
| Escrow Bank                 | Yes Bank Limited                                                                                                                                                                                                                                                                                                                                                                                           |
| Escrow Agreement            | The escrow agreement dated December 9, 2024 entered into amongst our Company, the Escrow Bank and the BRLMs for collection of the Bid Amounts and remitting refunds, if any, of the amounts collected, to the Bidders in relation to the Issue.                                                                                                                                                            |
| Floor Price                 | <p>The floor price ₹ 1,139.49 per Equity Share, which has been calculated in accordance with Chapter VI of the SEBI ICDR Regulations.</p> <p>Our Company may offer a discount of not more than 5% on the floor price in accordance with a special resolution passed by the Shareholders by way of a postal ballot on November 26, 2024 and in terms of Regulation 176(1) of the SEBI ICDR Regulations.</p> |
| Gross Proceeds              | The gross proceeds from the Issue aggregating to ₹ [●] million.                                                                                                                                                                                                                                                                                                                                            |
| Issue                       | The offer, issue and Allotment of [●] Equity Shares, each at a price of ₹ [●] per Equity Share, including a premium of ₹ [●] per Equity Share, aggregating to ₹ [●] million pursuant to Chapter VI of the SEBI ICDR Regulations and other applicable provisions of the Companies Act, and the rules made thereunder.                                                                                       |
| Issue Closing Date          | [●], the last date up to which the Application Forms and the Bid Amount shall be accepted by our Company (or the BRLMs, on behalf of our Company).                                                                                                                                                                                                                                                         |
| Issue Opening Date          | December 10, 2024, the date on which the acceptance of the Application Forms and the Bid Amount shall have commenced by our Company (or the BRLMs, on behalf of our Company).                                                                                                                                                                                                                              |
| Issue Price                 | A price per Equity Share of ₹ [●] including a premium of ₹ [●] per Equity Share.                                                                                                                                                                                                                                                                                                                           |
| Issue Size                  | The aggregate size of the Issue, up to [●] Equity Shares aggregating up to ₹ [●] million.                                                                                                                                                                                                                                                                                                                  |
| Monitoring Agency           | ICRA Limited                                                                                                                                                                                                                                                                                                                                                                                               |
| Monitoring Agency Agreement | Agreement dated December 10, 2024 entered into by and between our Company and the Monitoring Agency in relation to the responsibilities and obligations of the Monitoring Agency for monitoring the utilisation of the gross proceeds of the Issue, after deducting fees, commissions and expenses of the Issue.                                                                                           |
| Mutual Fund                 | A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended.                                                                                                                                                                                                                                                                                                            |
| Mutual Fund Portion         | 10% of the Equity Shares proposed to be Allotted in the Issue, which is available for Allocation to Mutual Funds.                                                                                                                                                                                                                                                                                          |

| Term                                       | Description                                                                                                                                                                                                                                                                    |
|--------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Net Proceeds                               | The net proceeds from the Issue, after deducting expenses of the Issue.                                                                                                                                                                                                        |
| Pay-In Date                                | Last date specified in the CAN for the payment of application monies by Bidders in the Issue.                                                                                                                                                                                  |
| Placement Agreement                        | The placement agreement dated December 10, 2024 entered into by and between our Company and the BRLMs.                                                                                                                                                                         |
| Placement Document                         | The placement document to be issued in accordance with Chapter VI of the SEBI ICDR Regulations and other applicable provisions of the Companies Act and the rules made thereunder.                                                                                             |
| Preliminary Placement Document             | This preliminary placement document dated December 10, 2024 issued in accordance with Chapter VI of the SEBI ICDR Regulations and other applicable provisions of the Companies Act and the rules made thereunder.                                                              |
| “QIBs” or “Qualified Institutional Buyers” | A qualified institutional buyer as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.                                                                                                                                                                             |
| QIP                                        | Qualified institutions placement, being a private placement to Eligible QIBs under Chapter VI of the SEBI ICDR Regulations and applicable sections of the Companies Act read with applicable provisions of the Companies (Prospectus and Allotment of Securities) Rules, 2014. |
| Refund Amount                              | The aggregate amount to be returned to the Bidders who have not been Allocated Equity Shares for all or part of the Bid Amount submitted by such Bidder pursuant to the Issue.                                                                                                 |
| Relevant Date                              | December 10, 2024, which is the date of the meeting wherein the QIP Committee decided to open the Issue.                                                                                                                                                                       |
| Stock Exchanges                            | Together, BSE and NSE.                                                                                                                                                                                                                                                         |
| Successful Bidders                         | The Bidders who have Bid at or above the Issue Price, duly paid the Application Amount along with the Application Form and who will be Allocated Equity Shares pursuant to the Issue.                                                                                          |
| Working Day                                | Any day other than second and fourth Saturday of the relevant month or a Sunday or a public holiday or a day on which scheduled commercial banks are authorised or obligated by law to remain closed in Mumbai, India.                                                         |

#### Conventional and general terms/abbreviations

| Term                                     | Description                                                                                                                                                                                                                                 |
|------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| AED                                      | United Arab Emirate Dirham                                                                                                                                                                                                                  |
| 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, as amended                                                             |
| BSE                                      | BSE Limited                                                                                                                                                                                                                                 |
| CAGR                                     | Compounded Annual Growth Rate                                                                                                                                                                                                               |
| CCI                                      | Competition Commission of India                                                                                                                                                                                                             |
| CDSL                                     | Central Depository Services (India) Limited                                                                                                                                                                                                 |
| CIN                                      | Corporate identity number                                                                                                                                                                                                                   |
| Civil Code                               | The Indian Code of Civil Procedure, 1908, as amended                                                                                                                                                                                        |
| “Companies Act” or “Companies Act, 2013” | The Companies Act, 2013, along with the relevant rules made and clarifications issued thereunder                                                                                                                                            |
| Companies Act, 1956                      | Erstwhile, Companies Act, 1956 along with the relevant rules issued thereunder                                                                                                                                                              |
| Competition Act                          | The Competition Act, 2002, as amended                                                                                                                                                                                                       |
| Consolidated FDI Policy                  | The consolidated FDI Policy, issued by the Department of Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time |
| CrPC                                     | The Code of Criminal Procedure, 1973, as amended                                                                                                                                                                                            |
| CSR                                      | Corporate social responsibility                                                                                                                                                                                                             |
| CY                                       | Calendar year                                                                                                                                                                                                                               |
| Depositories Act                         | The Depositories Act, 1996, as amended                                                                                                                                                                                                      |

| Term                                                  | Description                                                                                                                                                                                                                                                                                                   |
|-------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Depository                                            | A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018, as amended                                                                                                                                                              |
| “DP” or “Depository Participant”                      | A depository participant as defined under the Depositories Act                                                                                                                                                                                                                                                |
| DPIIT                                                 | Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry (formerly Department of Industrial Policy and Promotion), Government of India                                                                                                                                      |
| DIN                                                   | Director Identification Number                                                                                                                                                                                                                                                                                |
| EGM                                                   | Extraordinary general meeting                                                                                                                                                                                                                                                                                 |
| FBIL                                                  | Financial Benchmark India Private Limited                                                                                                                                                                                                                                                                     |
| FDI                                                   | Foreign Direct Investment                                                                                                                                                                                                                                                                                     |
| FDI Policy                                            | Consolidated FDI Policy issued by the Department for Promotion of Industry and Internal Trade (Formerly Department of Industrial Policy and Promotion), Ministry of Commerce and Industry, GoI by circular DPIIT file number 5(2)/2020-FDI Policy, with effect from October 15, 2020                          |
| FEMA                                                  | The Foreign Exchange Management Act, 1999 read with rules and regulations thereunder                                                                                                                                                                                                                          |
| FEMA Rules                                            | Foreign Exchange Management (Non-debt Instruments) Rules, 2019                                                                                                                                                                                                                                                |
| FC-GPR                                                | Foreign currency gross provisional return                                                                                                                                                                                                                                                                     |
| “Financial Year” or “Fiscal Year” or “Fiscal” or “FY” | A period of 12 months ending March 31, unless otherwise stated                                                                                                                                                                                                                                                |
| FLA                                                   | Foreign liabilities and assets                                                                                                                                                                                                                                                                                |
| Form PAS-4                                            | Form PAS-4 prescribed under the Companies (Prospectus and Allotment of Securities) Rules, 2014                                                                                                                                                                                                                |
| “FPI” or “Foreign Portfolio Investor(s)”              | Foreign portfolio investors as defined under the SEBI FPI Regulations and includes a person who has been registered under the SEBI FPI Regulations.                                                                                                                                                           |
| 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, as amended                                                                                                          |
| GAAP                                                  | Generally accepted accounting principles                                                                                                                                                                                                                                                                      |
| GAAR                                                  | General Anti-Avoidance Rules                                                                                                                                                                                                                                                                                  |
| GDP                                                   | Gross domestic product                                                                                                                                                                                                                                                                                        |
| “GoI” or “Government”                                 | Government of India                                                                                                                                                                                                                                                                                           |
| GST                                                   | Goods and Services Tax                                                                                                                                                                                                                                                                                        |
| IAS Rules                                             | The Companies (Indian Accounting Standards) Rules, 2015, as amended                                                                                                                                                                                                                                           |
| ICAI                                                  | The Institute of Chartered Accountants of India                                                                                                                                                                                                                                                               |
| IFRS                                                  | International Financial Reporting Standards                                                                                                                                                                                                                                                                   |
| Ind AS                                                | Indian accounting standards as notified by the MCA under section 133 of the Companies Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended                                                                                                                                           |
| Income-tax Act                                        | The Income-tax Act, 1961, as amended                                                                                                                                                                                                                                                                          |
| IT                                                    | Information Technology                                                                                                                                                                                                                                                                                        |
| IT Act                                                | The Information Technology Act, 2000, as amended                                                                                                                                                                                                                                                              |
| Ltd.                                                  | Limited                                                                                                                                                                                                                                                                                                       |
| MCA                                                   | Ministry of Corporate Affairs                                                                                                                                                                                                                                                                                 |
| Net worth                                             | Net Worth is calculated as share capital plus other equity (excluding other comprehensive income)                                                                                                                                                                                                             |
| “Non-Resident Indian(s)” or “NRI”                     | Non-Resident Indian, as defined under Foreign Exchange Management (Deposit) Regulations, 2016, as amended                                                                                                                                                                                                     |
| NSDL                                                  | National Securities Depository Limited                                                                                                                                                                                                                                                                        |
| NSE                                                   | National Stock Exchange of India Limited                                                                                                                                                                                                                                                                      |
| ODI Regulations                                       | The Foreign Exchange Management (Overseas Investment) Regulations, 2022, read with the Foreign Exchange Management (Transfer or Issue of any Foreign Security) (Amendment) Regulations, 2004 and Foreign Exchange Management (Acquisition and Transfer of Immovable Property Outside India) Regulations, 2015 |
| “P.A.” or “p.a.”                                      | Per annum                                                                                                                                                                                                                                                                                                     |
| PAN                                                   | Permanent account number                                                                                                                                                                                                                                                                                      |

| Term                                                 | Description                                                                                                                                                                                                                                                                                   |
|------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| PAS Rules                                            | The Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended                                                                                                                                                                                                                |
| PAT                                                  | Profit after tax / profit for the respective period / year                                                                                                                                                                                                                                    |
| PBT                                                  | Profit before tax for the respective period / year                                                                                                                                                                                                                                            |
| PF                                                   | Provident fund                                                                                                                                                                                                                                                                                |
| P-Notes                                              | Offshore derivative instruments, by whatever name called, which are issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India or unlisted debt securities or securitized debt instruments, as its underlying |
| RBI                                                  | The Reserve Bank of India                                                                                                                                                                                                                                                                     |
| Regulation S                                         | Regulation S under the U.S. Securities Act                                                                                                                                                                                                                                                    |
| “Rs.” or “Rupees” or “Indian Rupees” or “INR” or “₹” | The legal currency of India                                                                                                                                                                                                                                                                   |
| SAARC                                                | South Asian Association for Regional Cooperation                                                                                                                                                                                                                                              |
| SCRA                                                 | The Securities Contracts (Regulation) Act, 1956, as amended                                                                                                                                                                                                                                   |
| SCRR                                                 | The Securities Contracts (Regulation) Rules, 1957, as amended                                                                                                                                                                                                                                 |
| SEBI                                                 | Securities and Exchange Board of India                                                                                                                                                                                                                                                        |
| SEBI Act                                             | The Securities and Exchange Board of India Act, 1992, as amended                                                                                                                                                                                                                              |
| SEBI AIF Regulations                                 | The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended                                                                                                                                                                                       |
| SEBI FPI Regulations                                 | The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended                                                                                                                                                                                        |
| SEBI FVCI Regulations                                | The Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended                                                                                                                                                                                   |
| SEBI Insider Trading Regulations                     | The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended                                                                                                                                                                                     |
| SEBI Listing Regulations                             | The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended                                                                                                                                                                    |
| SEBI ICDR Regulations                                | The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended                                                                                                                                                                       |
| Takeover Regulations                                 | The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended                                                                                                                                                                    |
| U.S. GAAP                                            | Generally accepted accounting principles in the United States of America                                                                                                                                                                                                                      |
| “U.S.\$” or “USD” or “U.S. dollar”                   | United States Dollar, the legal currency of the United States of America                                                                                                                                                                                                                      |
| U.S. Securities Act                                  | United States Securities Act of 1933, as amended                                                                                                                                                                                                                                              |
| “USA” or “U.S.” or “United States”                   | The United States of America, its territories and possessions, any State of the United States, and the District of Columbia                                                                                                                                                                   |
| 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                                                                                            |
| Wilful Defaulter or Fraudulent Borrower              | Wilful defaulter or fraudulent borrower as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations                                                                                                                                                                                    |

#### Business, technical and industry related terms

| Term                             | Description                                                                                                                                                                               |
|----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Average Ticket Size              | Average product value based on last 5 months data and has been rounded off to the nearest multiple of thousand. Products of Gold, Diamond and Platinum have been considered for the same. |
| CAGR                             | Compounded Annual Growth Rate (as a %); $(\text{end year amount} / \text{base year amount})^{1/\text{number of gross years between base year and end year}} - 1$                          |
| Company Operated Showroom / COCO | Showrooms that are opened and operated by our Company                                                                                                                                     |
| CC                               | Cash credit                                                                                                                                                                               |
| FOCO                             | Franchisee Showrooms operated by our Company                                                                                                                                              |
| FOFO                             | Franchisee Showrooms operated by the respective franchise                                                                                                                                 |

| <b>Term</b>               | <b>Description</b>                                                                                                                                                                                                                                     |
|---------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Franchisee Agreements     | Agreements entered into between our Company and franchisee partners for setting up Franchisee Showrooms using our systems and trademark and for the sale of products on mutually agreed terms                                                          |
| Franchisee Showrooms      | Franchisee showrooms set up pursuant to Franchisee Agreements with our franchisee partners                                                                                                                                                             |
| GDP                       | Gross Domestic Product                                                                                                                                                                                                                                 |
| Karigar Agreements        | Agreements entered into between our Company and Karigars/Karigar entities for manufacturing, carving and processing of jewellery/ ornaments from gold, platinum, diamond and other precious and semi-precious metals into jewellery and other products |
| Karigars/Karigar entities | Job workers who use their skills to carve and process gold, platinum, diamond and other precious and semi-precious metals into jewellery and other products pursuant to Karigar Agreements                                                             |
| WGC                       | World Gold Council                                                                                                                                                                                                                                     |

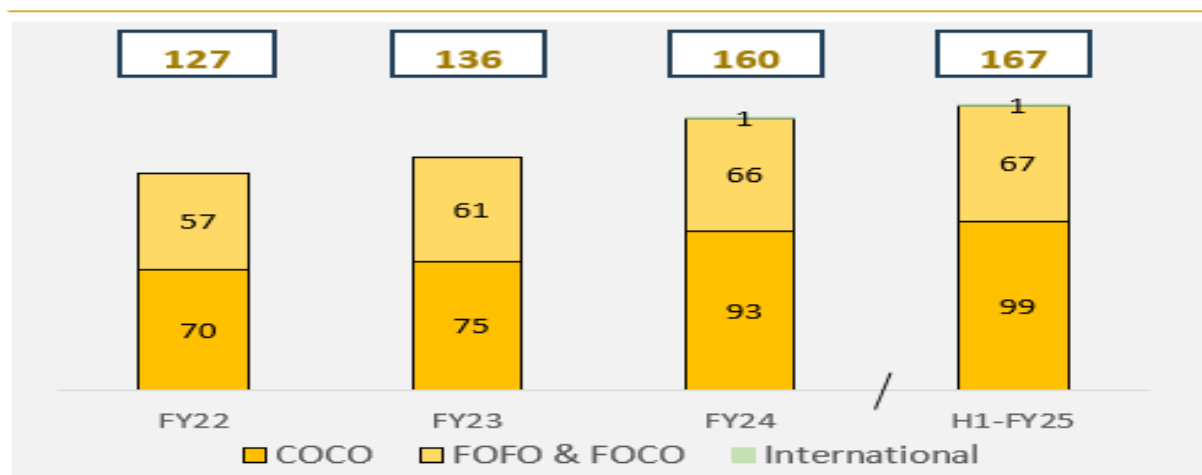
## SUMMARY OF BUSINESS

### Overview

We are the largest organized jewellery retailer in the eastern and north-eastern region of India in terms of store count. We have the widest geographical footprint in non-eastern states among eastern India-based jewellery retailers. Additionally, within eastern and north-eastern regions, our Company has more presence in Tier 3 and Tier 4 cities. (Source: CARE Report). We are a pan-India jewellery retail player with a history of more than five decades and have a fourth generation entrepreneur in the jewellery industry as our Promoter. We primarily retail gold and diamond jewellery, besides retailing jewellery made of silver, platinum and precious and semi-precious stones and other metals. Our other offerings also include costume jewellery, gold and silver coins and utensils made of silver. With a catalogue offering more than 164,000 designs for gold jewellery and more than 94,000 designs for diamond jewellery, we offer a large variety of designs of handcrafted jewellery. Most of our designs are manufactured in-house by our designers in close collaboration with skilled local craftsmen (generally termed Karigars/Karigar entities) in Kolkata and across the country. Machine made light weight jewellery in gold and diamonds are manufactured at our manufacturing facility based on designs prepared by our inhouse designers as well as sourced from third partner manufacturing vendors. Our products are sold under the brand name of “Senco Gold & Diamonds”, through multiple channels, including our 167 Showrooms, as on September 30, 2024 and various online platforms, including our website [www.sencogoldanddiamonds.com](http://www.sencogoldanddiamonds.com), My Senco App, and our virtual store called Sencoverse. Our strategy of operating through multiple channels enables us to allocate capital as required, while we continue to expand geographic presence and work towards an omni channel network and maximise our customer’s ease of access and user experience.

As on September 30, 2024, we have 167 showrooms across 108 cities and towns over 16 states in India and 1 International showroom in Dubai, United Arab Emirates. We have been able to achieve deep market presence in Tier I and Tier II locations through Franchisee Showrooms.

Our Showroom growth for Fiscals 2022, 2023 and 2024 and the six months period ended September 30, 2024 are as follows:



### Total Stores

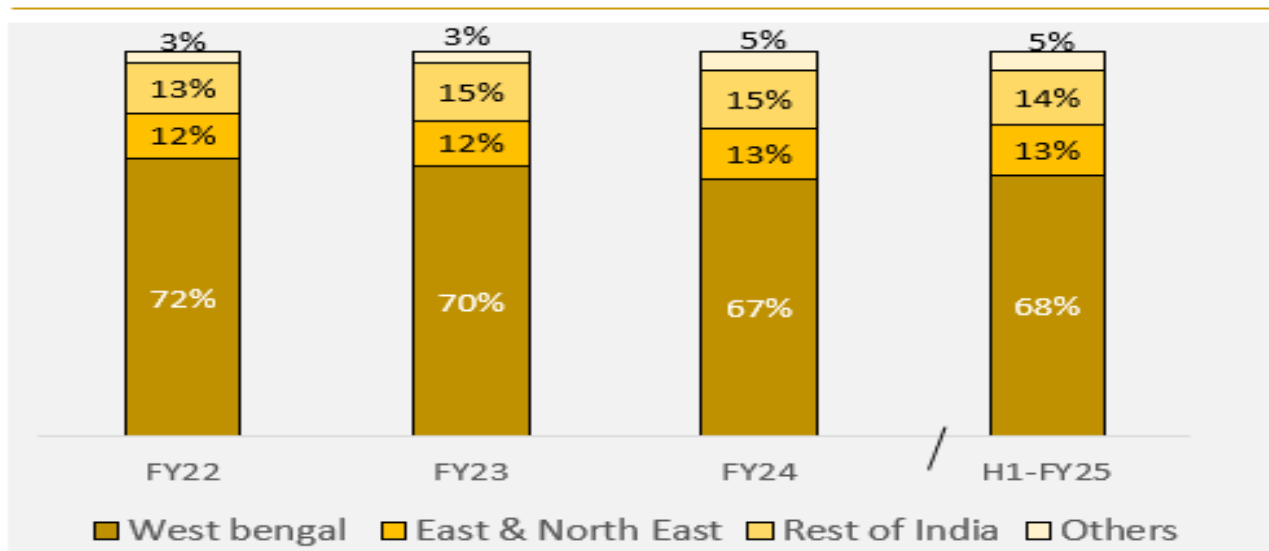
Further, we consistently work towards providing an omni channel experience both in-showroom as well as through our websites [www.sencogoldanddiamonds.com](http://www.sencogoldanddiamonds.com), [www.mygossip.in](http://www.mygossip.in), [www.everlite.in](http://www.everlite.in), [www.mydigigold.com](http://www.mydigigold.com), [www.mydigisilver.com](http://www.mydigisilver.com), [www.mysenco.in](http://www.mysenco.in) and My Senco App complementing our ability to reach customers. We also have marketing arrangements with leading online marketplaces. Our Company has also been enrolled in Open Network of Digital Commerce which also enhances our exposure in the e-commerce market. We have incorporated video calling and tele calling services to provide the flexibility to our customers to purchase jewellery from the comfort of their homes and elsewhere. We have built and continue enhancing our centralised digital infrastructure, through our real-time inventory tracking feature in order to make our operational management more seamless, making our front and back-end user interface more advanced and user friendly, which in turn enables us to offer faster services.

The following table sets forth the contribution of each product type to our revenue from operations for the periods presented:

| Particulars                                   | For the six months period ended September 30, 2024 (₹ in million) | % of total Revenue from Operations (%) | For the year ended March 31, 2024 (₹ in million) | % of total Revenue from Operations (%) | For the year ended March 31, 2023 (₹ in million) (%) | % of total Revenue from Operations | For the year ended March 31, 2022 (₹ in million) | % of total Revenue from Operations (%) |
|-----------------------------------------------|-------------------------------------------------------------------|----------------------------------------|--------------------------------------------------|----------------------------------------|------------------------------------------------------|------------------------------------|--------------------------------------------------|----------------------------------------|
|                                               | (Unaudited)                                                       |                                        | (Audited)                                        |                                        | (Audited)                                            |                                    | (Audited)                                        |                                        |
| <b>Sale of products</b>                       |                                                                   |                                        |                                                  |                                        |                                                      |                                    |                                                  |                                        |
| Gold jewellery                                | 24,907.56                                                         | 85.76                                  | 44,611.46                                        | 85.11                                  | 34,806.66                                            | 85.36                              | 31,114.59                                        | 88.03                                  |
| Diamond and precious/semi precious stones     | 3,005.45                                                          | 10.35                                  | 5,731.46                                         | 10.93                                  | 4,220.43                                             | 10.35                              | 2913.52                                          | 8.24                                   |
| Precious/semi-precious diamonds               | 71.48                                                             | 0.25                                   | 137.75                                           | 0.26                                   | 121.04                                               | 0.30                               | 103.06                                           | 0.29                                   |
| Silver jewellery and articles                 | 281.02                                                            | 0.97                                   | 481.21                                           | 0.92                                   | 390.39                                               | 0.96                               | 338.56                                           | 0.96                                   |
| Platinum jewellery                            | 645.47                                                            | 2.22                                   | 1234.43                                          | 2.36                                   | 1,060.36                                             | 2.60                               | 714.8                                            | 2.02                                   |
| Fashion jewellery                             | 59.80                                                             | 0.21                                   | 118.16                                           | 0.23                                   | 96.76                                                | 0.24                               | 67.80                                            | 0.19                                   |
| Novelty and accessories                       | 27.03                                                             | 0.09                                   | 2.4                                              | 0.0046                                 | 1.85                                                 | 0.0045                             | 1.57                                             | 0.00                                   |
| <b>Sub-total (A)</b>                          | <b>28,997.81</b>                                                  | <b>99.84</b>                           | <b>52,316.87</b>                                 | <b>99.81</b>                           | <b>40,697.49</b>                                     | <b>99.81</b>                       | <b>35,253.90</b>                                 | <b>99.74</b>                           |
| <b>Other operating revenue</b>                |                                                                   |                                        |                                                  |                                        |                                                      |                                    |                                                  |                                        |
| Franchisee fees                               | 45.96                                                             | 0.16                                   | 97.54                                            | 0.19                                   | 76.56                                                | 0.19                               | 92.49                                            | 0.26                                   |
| <b>Sub-total (B)</b>                          | <b>45.96</b>                                                      | <b>0.16</b>                            | <b>97.54</b>                                     | <b>0.19</b>                            | <b>76.56</b>                                         | <b>0.19</b>                        | <b>92.49</b>                                     | <b>0.26</b>                            |
| <b>Total Revenues from operations (C=A+B)</b> | <b>29,043.76</b>                                                  | <b>100.00</b>                          | <b>52,414.41</b>                                 | <b>100.00</b>                          | <b>40,774.04</b>                                     | <b>100.00</b>                      | <b>35,346.41</b>                                 | <b>100.00</b>                          |

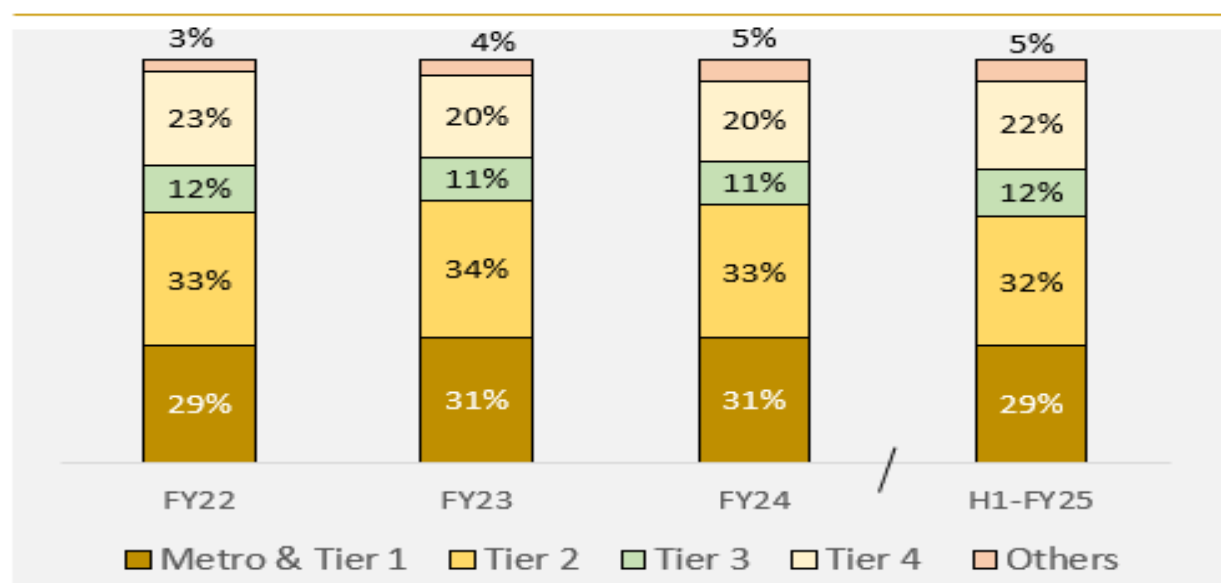
We have also launched online platforms for the purchase of digital gold and digital silver named mydigigold.com and mydigisilver.com respectively. We also allow customers to accumulate gold in a physical third-party secure vault and to subsequently sell the same online or redeem the gold in the form of jewellery at any of our Showrooms. We also offer jewellery purchase schemes with monthly installments from six months up to 11 months with minimum investments starting from ₹ 1,000. Our jewellery purchase schemes have been rated as [ICRA] A (stable) to the extent of ₹ 4,750.00 million by ICRA Limited and our bank facilities are rated by ICRA Limited as [ICRA]A (stable) indicating low credit risk, to the extent of ₹ 18,000.00 million.

Further, our revenue from operations split (without including franchisee fees and discount allowed) by region and location is as follows:



Note: Others constitutes exports, DG Gold, DG Silver, corporate and e-commerce sales. E&NE excludes West Bengal.

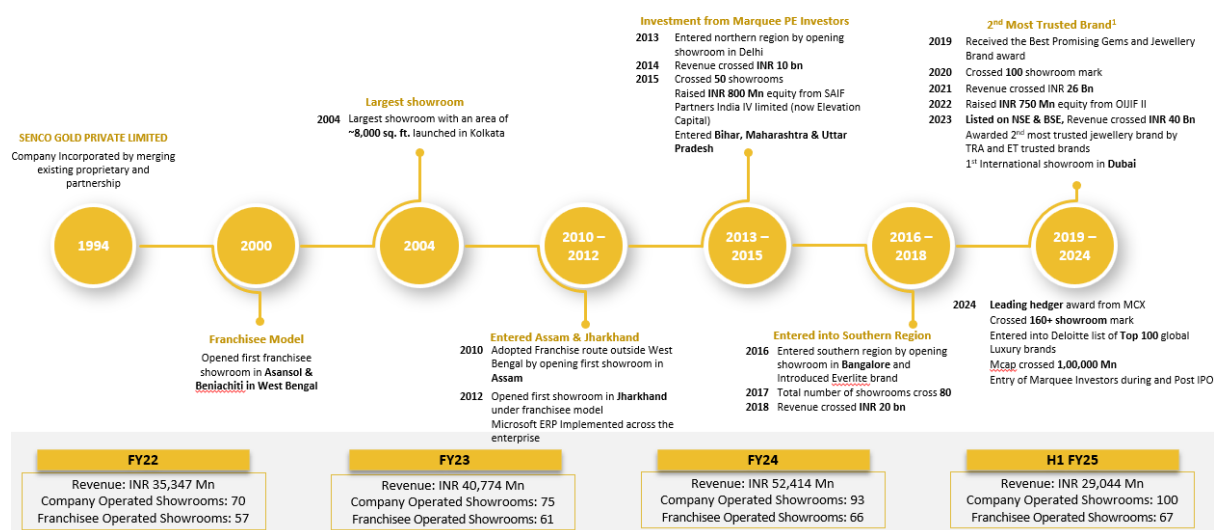
#### Revenue split by region



Note: Others constitutes exports, DG Gold, DG Silver, corporate and e-commerce sales.

#### Revenue split by location

A brief history of our Company is mentioned below:



Senco has been in business for more than five decades, making sure that we are associated to our customers catering to their specific needs. We focus significantly on customer retention and align our services in a manner that it remains customer centric whilst delivering on quality and design excellence along with price transparency. We are committed to serving our customers with the finest products and services while also being a responsible company that incorporates quality norms, loyalty programs, hyper local offerings, phygital approach in its business process in addition to making sure that we manufacture jewellery in line with the latest market trends and regional variations.

We have a dedicated design team, comprising 14 designers as on September 30, 2024, focused on developing new products and designs that meet customers' expectations. We also customize jewellery catering to individual requirements in terms of design, size, polish and weight. Our designing team takes a personalised approach to align the designs and make them more localised which helps us generate ethos with the customers from our diversified geographical presence throughout the country. Our team also undertakes thorough approach towards trend - analysis in seasonal jewellery and jewellery for specific trends to keep the designs at par with them. We aim to design jewellery and other goods in a manner that our customers are not just appealed by but also identify with them. The manufacturing of our jewellery is carried out mainly by over 179 experienced Karigars/Karigar entities in Kolkata, West Bengal and other parts of India under Karigar Agreements. In addition to exquisitely hand-crafted jewellery, we also manufacture machine crafted jewellery and source jewellery from third party vendors. Our presence in West Bengal gives us access to skilled Karigars/Karigar entities, who have been working with our Company for several years. We believe that our scale of operations enables us to commit significant volumes of work to Karigars/Karigar entities, which in turn enables them to offer quality finished products to us at competitive prices while allowing us to maintain exclusivity of our in-house designed jewellery and also makes us promoters of indigenous craftsmanship. West Bengal is a prominent jewellery manufacturing hub in east India, reputed for light weight and handmade jewellery. The artisans or Karigars/Karigar entities of the state are skilled and known for their craftsmanship.

We offer a diverse range of jewellery collection, which includes gold jewellery, diamond jewellery, platinum jewellery and studded jewellery of various forms, across various price points to maximise our customer base. We offer our customers a wide variety of choices in product range and designs in order to cater to regional tastes. We have also entered into the lab-grown diamonds manufacturing and retailing segment. We retail lab-grown diamonds through our brand 'Sennes'. Further, we believe that our strategy and experience in selling light weight jewellery has enabled us to reach out to a wide customer base across age groups. Our strategic presence in both Tier II and Tier III cities enables us to widen our customer base and further diversify our designs to cater to their regional preferences. This presence in the three Tiers also allows us to surpass the stress of keeping up with expansion plans and also helps us stay ahead of and reap the benefits of rapid urbanisation. Through our *Everlite* (light weight jewellery), *Gossip* (silver and fashion jewellery) brands and our *Aham* collection (jewellery for men) and our collections like Evil Eye, Mariposa, Shakti, Ameerah etc, we aim to cater to the younger generation and the 'upwardly mobile' of India by building brands focused on jewellery of smaller average ticket size. The share of working age population (15-64 years) as a part of overall population has risen from ~65% in calendar year

2013 to ~67% in 2021. Accordingly, CARE expects that demand for lightweight, daily-wear fashion jewellery is expected to rise as the younger generation enters the workforce. (Source: CARE Report). Through our *D'Signia* Showrooms and Vivaha collection we aim to cater to customers seeking heavier or premium designer jewellery or a more premium jewellery retail shopping experience. Our standard Showrooms have an Average Transactional Value of ~₹ 77,000, while our *D'Signia* Showrooms have an Average Transactional Value of ~₹ 84,853 and our Everlite Showrooms have an Average Transactional Value of ~₹ 46,000, each for Fiscal 2024.



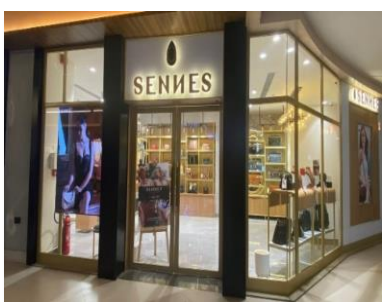
**Senco Showroom**



**D'Signia Showroom**



**Everlite Showroom**



**Sennes Showroom**

Our marketing campaigns are tailored to enhance our brand recall and generate increased footfalls in our Showrooms throughout the year as well as to highlight our plethora of collections and designs. We tailor our marketing schemes such that they are specific to fit the occasions and particular seasons like Akshay Tritiya, Dhanteras, Diwali, Weddings and other festivities and occasions when people customarily buy jewellery, catering to their specific needs. Marketing and advertising forms an essential part of our business process and we take it as a means of establishing a personal connection with our customers. During the Fiscals 2024, 2023 and 2022, and for the six months period ended September 30, 2024, we incurred expenses of ₹ 1,033.73 million, ₹ 810.36 million, ₹ 505.82 million and ₹ 665.73 million, respectively, on advertising and sales promotion representing 1.97%, 1.99%, 1.43% and 2.29%, respectively of the revenue from operations for the respective periods. As a part of our marketing initiatives, we tie-up with celebrities as brand ambassadors to promote our brand or specific collections in addition to these collaborations we also sponsor sporting teams and events. Over the years, we have appointed actors such as Kartik Aryan, Kiara Advani and Vidya Balan as brand ambassadors to enhance our brand presence and market our products. We also regularly tie-up with other regional celebrities, such as Ishaa Saha (alias Moumita Saha), Sauraseni Maitra, Swastika Dutta and Jaya Ahsan to enhance our brand presence for specific markets and to increase our regional appeal. We have implemented a loyalty program with approximately 2.50 million customers, as of September 30, 2024, through which they can earn benefits on repeated purchases or referrals and we have entered into an agreement with a third party service provider for providing among others, financing facilities to enable customers to purchase high value diamond jewellery with an option for paying in installments.

We believe that our long track-record in terms of longevity, design excellence and consistent appeal evokes consumers' trust in our products. We have been consistently in the league of most trusted jewellery brands and have improved our ranking from 4<sup>th</sup> most trusted jewellery brand by TRA's Brand Trust Report 2017 to 2<sup>nd</sup> most trusted jewellery brand by TRA's Brand Trust Report 2020. We have been consistently ranked 2<sup>nd</sup> by TRA's Brand Trust Report in the jewellery category for each of the years 2020-2024. We have also received the award of "Excellence in Design Innovation in Gold & Design" by Jagran Achiever Awards 2023, "Best Hedger Award" by MCX Awards 2024. We have also received "Great Place to Work" Certificate for 2<sup>nd</sup> Time in a row. We have

achieved the Position of “Best Jewellery Retailer of the Year” by IREC Awards 2024. We have been awarded the Best Brand in Jewellery Category by The Economic Times in 2021. Our Company has also been awarded the Business Leadership Award by CMA Management Excellence and Shakti award for women leadership in Jewellery sector by Informa market and SVAR in 2022. Our Company has also received Best Retail Brand Award at the 8<sup>th</sup> Bullion & Jewellery Awards, 2023 and Excellence in Design and Innovation in Gold & Diamond at Jagran Achiever Awards in 2023.

We stringently follow the hallmarking process for our gold jewellery. All our diamonds, comprising jewellery and loose diamonds are certified by SGL Labs, and additionally, certain specific diamonds such as Hearts and Arrows cut diamonds are certified by IGI and GEMEX. Our loose diamond stock is regularly assessed for valuation so as to derive greater transparency to our business. Majority of the gold used as raw material by us is sourced by way of gold metal loan facilities offered by bullion banks. We follow a procurement policy aimed at de-risking the business from gold price fluctuations by sourcing gold for our manufacturing operations under the gold loan facilities offered by banks, including entering into appropriate hedging policies. Under such arrangements, the price of gold purchased under gold metal loan is not fixed on procurement, but rather within the applicable credit period, thereby minimizing any risk to us relating to gold price fluctuations between the time of procuring the raw material and selling the finished product to our customers. We have applied for the TRQ Quota under which the Custom Duty is lower by 1.00%, as provisioned under the CEPA Agreement signed by India and UAE, our gold imports are done through IIBX, Ahmedabad (Gujarat). Our loose diamonds are mostly procured from reputed diamond manufacturers who are listed as sight holders, and the manufacturing of jewellery is carried out either by the skilled Karigars/Karigar entities in West Bengal for hand made products or by organised manufacturers in Mumbai, Maharashtra or in-house at our manufacturing facility at Ankurhati, Howrah, West Bengal. We prefer to work with suppliers who are registered with the Gem and Jewellery Export Promotion Council. We in turn require our vendors to confirm that the diamonds provided to us are compliant with the Kimberley certification as conflict free thereby increasing our business responsibility and sustainability approach as well as compliance with global standards. We undertake wholesale exports of our jewellery primarily to Dubai and Singapore. and our Company as been rated 2-star Export House in Fiscal 2024. As on September 30, 2024, we had 2,688 employees. In addition, we have outsourced security personnel and housekeeping staff.

### Key Performance Indicators

Some of our key performance indicators include:

| Sr No. | KPI                                                          | Six Months period ended September 30 2024 (Unaudited) | Fiscal 2024 (Audited) | Fiscal 2023 (Audited) | Fiscal 2022 (Audited) |
|--------|--------------------------------------------------------------|-------------------------------------------------------|-----------------------|-----------------------|-----------------------|
| 1.     | Revenue from operations ( <i>₹ in million</i> )              | 29,043.76                                             | 52,414.43             | 40,774.04             | 35,346.41             |
| 2.     | Profit after tax for the year/period ( <i>₹ in million</i> ) | 633.94                                                | 1,810.04              | 1,584.79              | 1,291.02              |
| 3.     | Return on Capital Employed (in %)                            | 5.00*                                                 | 12.48%                | 14.22                 | 15.58%                |
| 4.     | Return on Equity (in %)                                      | 4.55*                                                 | 15.70%                | 18.96                 | 19.43                 |
| 5.     | Revenue CAGR (Fiscal 2022 – Fiscal 2024) (in %)              | -                                                     | 21.77                 |                       |                       |
| 6.     | Inventory turnover ratio                                     | 1.09*                                                 | 2.41                  | 2.49                  | 2.91                  |

\*Not annualised

#### Notes:

- Return on Capital Employed = Earnings before interest and taxes for the year/period divided by capital employed, where capital employed is computed as sum of total equity and borrowings (including accrued interest and gold metal loan) as at the end of the year/period.
- Return on Equity=Profit after tax for the year/period divided by average total equity. Average total equity is calculated as average of opening and closing balance of total equity for the year/period.
- Inventory turnover ratio= Sales divided by Average Inventory; Average Inventory is calculated as the average of opening balance and closing balance for the year/period.

## Competitive Strengths

We believe that we are well-positioned to capture market opportunities and benefit from the expected growth in the jewellery market in India through our competitive strengths, which principally include the following:

### ***Largest organised jewellery retail player in the eastern region of India based on number of stores with a legacy of over five decades (Source: CARE Report)***

We are the largest organised jewellery retail player in the eastern and north-eastern regions of India based on number of stores and among eastern India based jewellery retailers, we also have the widest geographical footprint in non-eastern states (Source: CARE Report). Our oldest operational showroom is located in the Bowbazar area of Kolkata (a jewellery market hub), where we have been present, through Senco Jewellery Museum (an erstwhile family run proprietary concern), for over five decades. From our roots in Kolkata, West Bengal, we have strategically expanded our presence to 16 states across India and 1 international store in Dubai, United Arab Emirates. As on September 30, 2024, we have 166 Showrooms located across 108 cities and towns in India and one showroom in Dubai, United Arab Emirates.

Our presence across states is as follows:

| State          | Zone       | As at September 30, 2024 | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|----------------|------------|--------------------------|----------------------|----------------------|----------------------|
| West Bengal    | East       | 98                       | 93                   | 85                   | 80                   |
| Uttar Pradesh  | North      | 11                       | 11                   | 11                   | 11                   |
| Delhi          | North      | 8                        | 7                    | 5                    | 5                    |
| Maharashtra    | West       | 7                        | 7                    | 6                    | 5                    |
| Bihar          | East       | 6                        | 5                    | 2                    | 2                    |
| Jharkhand      | East       | 7                        | 7                    | 7                    | 5                    |
| Karnataka      | South      | 3                        | 3                    | 2                    | 2                    |
| Odisha         | East       | 9                        | 9                    | 7                    | 7                    |
| Assam          | East       | 5                        | 5                    | 5                    | 4                    |
| Madhya Pradesh | Central    | 2                        | 2                    | 0                    | 0                    |
| Chhattisgarh   | Central    | 2                        | 2                    | 1                    | 1                    |
| Haryana        | North      | 2                        | 2                    | 3                    | 3                    |
| Telangana      | South      | 2                        | 2                    | 1                    | 1                    |
| Chandigarh     | North      | 2                        | 2                    | 0                    | 0                    |
| Sikkim         | North East | 1                        | 1                    | 0                    | 0                    |
| Tripura        | East       | 1                        | 1                    | 1                    | 1                    |
| <b>Total</b>   |            | <b>166</b>               | <b>159</b>           | <b>136</b>           | <b>127</b>           |

In line with our expansion strategy, while entering new state geographies, we endeavour to register our presence in the state capital or the largest city in the state through Company Operated Showrooms before venturing into tier-II and tier-III locations in such state, primarily through franchisee showrooms in order to leverage logistical efficiency of inventory and return on capital. We believe that this hub and spoke approach has enabled us to successfully implement a franchisee model for our business and become a well-established name for jewellery, particularly in East and North-East India.

We believe our long track-record evokes consumers' trust in our products. To ensure transparency to our customers, we have been BIS hallmarking all gold jewellery, since 2012, prior to the regulatorily mandated hallmarking which started from May 2021. We have also installed gold testing machines (XRF machines) to provide added assurance to customers over the hallmarked gold jewellery sold by us at all our Showrooms and follow stringent and transparent purity checks to ensure quality of our jewellery before being sold to our customers.

We believe that our commitment to quality and transparency has enabled us to position “Senco Gold & Diamonds” as a strong and trusted brand in markets in which we operate in the retail sector. We have been consistently ranked 2<sup>nd</sup> by TRA’s Brand Trust Report in the jewellery category for each of the years 2020-2024. We were honored with the “Excellence in Design Innovation in Gold & Design” award at the Jagran Achiever Awards 2023, and the “Best Hedger Award” at the MCX Awards 2024. Additionally, we have received the “Great Place to Work” certification for the second consecutive year. Furthermore, we were recognized as the “Best Jewellery Retailer of the Year” at the IREC Awards 2024.

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. Additionally, we have implemented a loyalty program with approximately 2.50 million customers, as of September 30, 2024.

***Calibrated focus on light, affordable jewellery with the intention to cater to the upwardly mobile and younger generation.***

Our wide range of product offerings caters to diverse customer segments. In India, the surge in demand for gold jewellery can be attributed to the growing middle-class population and their increasing disposable income levels. As more individuals experience higher income levels, they are more capable of affording luxury items like gold jewellery. These growing middle-class views gold jewellery as a status symbol, a reflection of their improved lifestyle, and a worthwhile investment. The trend is especially prominent in urban areas where economic growth has enhanced financial independence and purchasing power (Source: CARE Report). Jewellery preferences vary significantly across different age groups, reflecting the evolving interests, lifestyles, and values of Indian women. Every demographic has diverse needs and perspectives, from senior women who value traditional motifs to young brides who choose modern patterns. Furthermore, according to a report by the World Gold Council, recent interactions between Metals Focus and retailers have highlighted a significant increase in demand for lightweight jewellery, especially in the daily wear segment. (Source: CARE Report). Further, we have a diverse range of offerings within the category of affordable jewellery, with an active catalogue of more than 164,000 designs for gold jewellery designs and more than 94,000 designs for diamond jewellery, as of September 30, 2024.

In particular, we have developed two specific ranges/ brands to target these demographics. Two of our sub-brands, *Everlite* and *Gossip* are focused on offering affordable, lightweight jewellery to meet the needs of this segment. Our *Everlite* brand of light-weight gold and diamond jewellery is targeted at the upwardly mobile. The products offered under this line are theme based as per different tastes of the customers. As on the date of this Preliminary Placement Document, we have 5 exclusive *Everlite* Showrooms in addition to dedicated *Everlite* counters at most of our Showrooms. Our *Gossip* brand caters to the silver and costume jewellery needs of our younger customers. This fast-moving, fashionable and easy-to-wear jewellery gives our customers freedom to change their jewellery with varying clothes preferences at different occasions. Our *Gossip* brand is made of sterling silver or base metal, studded with semi-precious stones and imitation stones including zirconia and coloured crystals.

We have also started the *D'Signia* branded Showrooms to focus on more premium or higher value jewellery with an Average Transactional Value of ₹ 84, 853 (for Fiscal 2024) to provide a premium shopping experience. Our focus on diamond jewellery sales results in higher profit margins for our products. In Fiscals 2022, 2023 and 2024, and during the six months period ended September 30, 2024, sale of diamond jewellery represented 8.24%, 10.35%, 10.93% and 10.35%, respectively, of our revenue from operations.

In 2019 we have launched the *Aham* collection as a response to the otherwise female dominated market of jewellery for men. While jewellery for women constitutes majority of the jewellery market, large organized retailers also have dedicated jewellery lines for men. (Source: CARE Report) The market for online purchase of jewellery has increased at a CAGR of 20.1% between fiscal 2019 and fiscal 2024. (Source: CARE Report) Further, CARE estimates that although the share of online in total gems and jewellery sales is currently miniscule (around 4% of the total industry), it is poised for fast growth of 28-33% and is expected to account for 7-8% of the gems and jewellery segment by Fiscal 2025. (Source: CARE Report). Our in-showroom experience is complemented by our websites [www.mysencogold.com](http://www.mysencogold.com), [www.mydigisilver.com](http://www.mydigisilver.com), [www.sencogoldanddiamonds.com](http://www.sencogoldanddiamonds.com) and [www.mygossip.in](http://www.mygossip.in) and [www.mydigigold.com](http://www.mydigigold.com). Our dedicated mobile application “MySenco 2.0” also allows customers to review, purchase and receive delivery of jewellery from the comfort of any location. We also have marketing arrangements with leading online marketplaces (Source: CARE Report). We have also implemented the virtual 3-D try-on feature on our website enabling customers to easily understand and get closest experience to the in-person feel. Additionally, in order to attract upwardly mobile and younger generation and expand our customer base, we have recently launched Sencoverse, a virtual store. As of September 30, 2024, we were operating four such Sencoverse stores and all the jewellery from our website have been synced into Sencoverse. During the

Fiscals 2024, 2023 and 2022, and for the six months period ended September 30, 2024, we incurred expenses of ₹ 1,033.73 million, ₹ 810.36 million, ₹ 505.82 million and ₹ 665.73 million, respectively, on advertising and sales promotion representing 1.97%, 1.99%, 1.43% and 2.29%, respectively of the revenue from operations for the respective periods. We also been recognised for our marketing efforts having been awarded Social Media Campaign of the Year at the 25<sup>th</sup> Retail Jeweller India Awards 2019 and have Gold Seller Status on a prominent online marketplace since June 1, 2021, which has added on to our credibility in front of the newer crowds and technically advanced clientele.

Our focus on design and innovation, our ability to recognize consumer preferences and market trends, the intricacy of our designs and the quality and finish of our products are among our key strengths. We have a wide range and variety of products and have been able to demonstrate our ability to recognise trends in the jewellery industry in order to cater to our customers. In addition, our proximity to a wide range of skilled Karigars/Karigar entities from West Bengal allows us to offer a diverse product range, catering to latest consumer trends. We also offer an exchange and buyback guarantees on old gold exchange along with free insurance on diamond jewellery to our customers.

***Strong ‘Company Operated Showroom’ base complemented by an established asset-light ‘franchise’ model leading to operating leverage.***

We focus on attaining an optimal balance between our operated Showrooms and expanding our asset-light franchisee model. To capitalise on the shift in consumer demand to organised jewellers from the traditionally unorganised, many brands started to expand their presence at a pan-India level. Apart from opening company-operated showrooms, many also adopted the asset-light, franchisee route for expanding their geographical presence. Our showroom count as on September 30, 2024 stood at 100 Company Operated Showrooms and 67 Franchisee Showrooms. Among the eastern India based jewellery retailers, we have the widest geographical footprint in non-eastern states. (Source: CARE Report). The addition of 23 Company Operated Showrooms (net) during the years from Fiscal 2022 till Fiscal 2024 resulted in revenue of ₹ 2,706.31 million at a capital expenditure of ₹ 398.50 million as compared to an increase of 9 Franchisee Showrooms (net) over such period which resulted in revenue of ₹ 1,855.96 million but without any capital expenditure. Accordingly, while our margins from our Franchisee Showrooms are typically lower than the margins at our Company Operated Showrooms, the reduced setup cost of the Franchisee Showrooms, with minimal expenditure along with the transfer of inventory to the franchisee ensures that the ‘franchise’ model continues to promote asset-light growth for us, with almost negligible capital payout towards inventory.

We use a ‘hub and spoke’ approach to enter new geographies and optimize our inventory management, which means that we typically foray into large or new cities by way of our Company Operated Showrooms and then leverage our ‘franchise’ model to expand into tier-II and tier-III locations. Having implemented this model of growth in West Bengal, with our beginnings in Calcutta and subsequent forays into the tier-II and tier-III locations, we have been using it to expand in West Bengal. Such a setup enables us to balance risk and transfer the optimal cost of inventory to our franchisee partners. This operational streamlining increases room for flexibility for both customers and our Company. In our ‘franchise’ model, management know-how is provided by us to the franchisee partner together with the “Senco Gold & Diamonds” brand. Inventory is provided against receipt of funds for a majority of the sales made to our Franchisee Showrooms. At times, due to a spurt in demand owing to seasonal factors or decrease in prices, we may offer short term credit facilities to our Franchisee Showrooms. Even within our ‘franchise’ model, we evaluate both ‘franchisee owned, franchisee operated’ as well as the ‘company owned, franchisee operated’ models, based on the location and market potential of the showroom. Our first franchisee agreement was signed in the year 2000 and since then we have been maintaining a cordial relationship with our franchisee partners, which has resulted in opening of multiple “Senco Gold & Diamonds” showrooms by the same franchisee partner. For further details of our Showrooms, see “– Our Operations – Showrooms” on page 227.

***Established Systems and Procedures to mitigate risk and improve efficiencies***

We have established systems and procedures for various facets of our business and operations including inventory management, order management, human resource management, finance and controls, CRM, data analytics, management processes and risk management. Our operational processes are set forth in an operating manual which has been documented by a global consulting firm.

***Efficient Inventory Management***

Our inventory of jewellery for both our Company Operated Showrooms and our Franchisee Showrooms is bar-coded and monitored and controlled through our ERP. Our inventory for each Showroom is planned at the

beginning of each year in terms of amounts and quantity with a determination to achieve the desired sales and inventory turnover after considering factors including market potential and competition. Showroom staff can track the movement of daily sales through reports from software and accordingly place orders for jewellery replenishment. All customised orders, repairs are monitored and tracked through our ERP system. As part of our inventory management, we also rotate jewelleries among different showrooms in an effort to increase inventory turnover and make minimal accumulation of slow moving stock at Showroom locations. This process is supported by data analysis framework and additional reportage on the numbers and it leads to increase in efficiency and accuracy whilst minimising errors thereby making the process efficient. Future inventory forecasts are done with the help of data analysis and forecasting of trends. Our head-office procurement team confirms the order from Showrooms and co-ordinates with our vendors and Karigars/Karigar entities to manufacture the products in accordance with the specific requirements of the showrooms. This helps us keep our inventory up to-date and also provide a solution to the demand supply conundrum with the help of factual evidence.

### *Strong Technology Focus*

We have POS systems at our Showrooms which are integrated with our centralised ERP system. The use of ERP across our showrooms and offices helps us maintain greater control over business operations such as inventory management, showroom management, accounting, logistics management and customer data storage, amongst others. Our CRM module is also system integrated whereby we are able to consolidate customer data and perform business analytics to forecast trends as well as and to manage the customers' journey from enquiry to purchase. We also have backup support for all systems, and our data base is protected by high security protocol. Further, our technology backed institutionalized processes provides end to end control from designing to retailing and our Showrooms operate on a common IT platform, including the billing and inventory management system. Through our websites and mobile application, we are working on an omni-channel 360- degree customer shopping experience, from the comfort of their own homes.

### *Quality Control*

We stringently follow the hallmarking process for all our gold jewellery. Most of our diamonds, comprising jewellery and loose diamonds are certified by SGL, and additionally, certain specific diamonds of our Perfect Love brand such as Hearts & Arrows cut diamonds are certified by IGI and GEMEX. Our loose diamond stock is regularly accessed for valuation to derive greater transparency to our business.

Given that our inventory is produced by third party vendors (Karigars/Karigar entities) who are engaged as contract manufacturers, we have implemented stringent two-stage quality control procedures to ensure standardised quality and purity of the products we sell. Jewellery produced is checked for physical defects, such as structural issues and inconsistencies in polishing and finishing, and is checked for purity with a gold testing machine and hallmarked from third party agencies.

We send all our jewellery to government-approved hallmarking centres who performs tests and analyse our jewellery in accordance with BIS norms. We have voluntarily adopted hallmarking of all our gold jewellery from 2012. New batches of products are also subjected to disassembly into raw materials on a sample basis to ensure they meet our purity and quality standards, including by melting metals to determine their purity. Contract manufacturers who do not meet quality standards are penalised, with a return of products and a requirement to correct any defects. To the extent there is any loss or damage of raw materials, contract manufacturers are liable to compensate us accordingly. Further, the workshops of Karigars/Karigar entities associated with us are subject to periodic audits to ensure compliance with quality and security requirements.

We also have a quality control department consisting of 7 employees as of September 30, 2024. We believe our commitment to stringent quality control has been critical to our success in the Indian jewellery industry and has contributed to customers associating our brand with trust and transparency.

### *Procurement advantage*

Our operations integrate our sourcing, manufacturing, retail and export sales, in order to provide us with several competitive advantages, including the ability to adjust our product range to continuously address shift in customer preferences, just in time inventory availability and changes in demand.

One of our key strengths lies in the meticulous craftsmanship of our Bengali Karigars/Karigar entities. A significant portion of the manufacturing of our jewellery is carried out by over 179 experienced Karigars/Karigar

entities in Kolkata, West Bengal and across India, under Karigar Agreements. The Karigars/Karigar entities engaged by our Company are renowned for their exquisite and artistic work in carving and processing of plain gold, studded gold, platinum and diamond jewellery. Our presence in West Bengal allows us to access quality craftsmen, who have been working with our Company for a number of years. We believe that our scale of operations enables us to commit significant volumes of work to Karigars /Karigar entities; which in turn enables them to offer quality finished products to us at competitive prices while allowing us to maintain exclusivity of our in-house designed jewellery. Additionally, we believe that this ensures that the Karigars/ Karigar entities devote a significant portion of their time towards fulfilling commitments to our Company. We seek to ensure lucrative business economics for the Karigars/ Karigar entities we engage while in turn preserving artisanal techniques, legacy craftsmanship and creativity of the Karigars/ Karigar entities. We have also attempted to support our partners. For instance, during the pandemic, we focused on securing relationships and continuity of our Karigars/ Karigar entities, minimizing order cancellations and deferments and releasing payments for our Karigars/ Karigar entities as early as possible.

These and other initiatives not only provide income to the Karigars/ Karigar entities that we engage with, they also broaden our obtainment base, using a focused approach, and foster loyalty among our Karigars/ Karigar entities.

We strictly follow international standards for the import of gold and diamonds, including the Kimberley Process, and are committed to promoting and practicing ethical sourcing of diamonds and responsible procurement. We believe that this commitment positions us as one of the leader in the jewellery industry. Our gold procurement through gold metal loans, provided by bullion banks, helps mitigate issues related to gold mining and smuggling. Additionally, we have implemented a gold recycling program where we exchange old gold from customers and repurpose it as raw material to create new designs, aligning with the principles of circularity and Environmental Social Governance (ESG) ideals. Our diamonds are mostly procured from diamond traders and sight holders; and the manufacturing of jewellery is carried out either by the skilled Karigars/ Karigar entities in West Bengal for hand made products or by organised manufacturers in Mumbai, Maharashtra, or in house at our manufacturing facility at Ankurhati, Howrah, West Bengal.

#### *Safety, Security and Surveillance Systems*

Safety, security and surveillance of our facilities and locations is a critical part of our business as well as risk management systems. At the end of every day, the entire stock at each of our showrooms is shifted to a secure vault within the showroom. Our factory and procurement departments are managed with our 24\*7 CCTV surveillance. Additionally, our showrooms are equipped with night vision CCTV cameras, burglar alarms, fire management systems and remote sensors. Further, we have entered into agreements with security agencies for providing security services at most of our showrooms, which include gunmen and round the clock security personnel. Regular training and drill sessions are conducted for the security personnel to ensure diligence and agility. All intra and intercity dispatch of inventory is made through secured vehicle of our Company or reputed agencies. A centralised control room checks and monitors multi-location cameras, CCTVs on pan-India basis, 24\*7. Additionally, our jewellers block insurance policy, terrorism insurance policy and cyber security insurance policy helps mitigate the risk of theft, fire or other damage to the inventory, offline or online.

#### *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 management team.***

We believe that we are well guided, and continue to be led by a strong, highly qualified, experienced, and reliable management team. To ensure that we are led by a right mix of professionals from various fields, our corporate setup has been appropriately balanced to include individuals specialising in management as well as other professionals.

Our Individual Promoter and Managing Director and Chief Executive Officer, Suvankar Sen has been involved in the jewellery business in India for more than 18 years and is a fourth-generation entrepreneur, with an established track record and extensive experience in the jewellery industry. Our Individual Promoter is actively involved in our operations and brings to our Company his vision and leadership, which we believe, he has been instrumental in sustaining our business operations. For further details, see “*Board of Directors and Senior Management –Brief Biographies of Directors*” on page 241. Our Chairperson and Whole Time Director, Ranjana Sen has over 30 years of experience in the jewellery industry. Our Whole Time Director, Joita Sen has over 15 years of experience in designing and marketing. We believe that our Board is ably experienced in the jewellery industry which benefits us in our day to day operations. Further, we have benefitted from the guidance of our Founder Chairman, Late Sankar Sen who founded our Company in 1994 in Kolkata, West Bengal.

We also benefit from an experienced management team, including our Chief Financial Officer, Sanjay Banka, our Chief Operating Officer, Sanjay Banerjee and our Chief Human Resource Officer, Subhasri Sengupta and Mukund Chandak, Company Secretary and Compliance Officer.

## SUMMARY OF THE ISSUE

The following is a general summary of the terms of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Preliminary Placement Document, including the sections titled “*Risk Factors*”, “*Use of Proceeds*”, “*Placement and Lock-Up*”, “*Issue Procedure*” and “*Description of the Equity Shares*” on pages 57, 102, 275, 261 and 292, respectively.

|                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|----------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Issuer</b>                                                              | Senco Gold Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Face value</b>                                                          | ₹ 10* per Equity Share                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Issue Size</b>                                                          | <p>Issue of [●] Equity Shares, aggregating up to ₹ [●] million.</p> <p>A minimum of 10% of the Issue Size, i.e., at least [●] Equity Shares shall be available for Allocation to Mutual Funds only and the balance [●] Equity Shares shall be available for Allocation to all Eligible QIBs, including Mutual Funds.</p> <p>In case of under-subscription in the portion available for Allocation only to Mutual Funds, such undersubscribed portion may be Allotted to other Eligible QIBs.</p>                                                                                |
| <b>Issue Price</b>                                                         | ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Floor Price</b>                                                         | <p>₹ 1,139.49 per Equity Share, calculated on the basis of Regulation 176 in chapter VI of the SEBI ICDR Regulations. In terms of the SEBI ICDR Regulations, the Issue Price cannot be lower than the Floor Price.</p> <p>However, our Company may offer a discount of up to 5% on the Floor Price in accordance with the approval of the Shareholders accorded by way of a special resolution passed by way of postal ballot on November 26, 2024 and in terms of Regulation 176(1) of the SEBI ICDR Regulations.</p>                                                          |
| <b>Date of Board resolution authorizing the Issue</b>                      | October 4, 2024                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Date of Shareholders’ resolution authorizing the Issue</b>              | November 26, 2024                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Depositories</b>                                                        | CDSL and NSDL                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Dividend</b>                                                            | Please refer to the sections titled “ <i>Description of Equity Shares</i> ” and “ <i>Dividends</i> ” on pages 292 and 117, respectively.                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Eligible Investors</b>                                                  | <p>Eligible QIBs, to whom this Preliminary Placement Document and the Application Form are delivered and who are eligible to bid and participate in the Issue.</p> <p>For further details, please refer to the sections titled “<i>Issue Procedure</i>”, “<i>Selling Restrictions</i>” and “<i>Purchaser Representations and Transfer Restrictions</i>” on pages 261, 277 and 285, respectively. The list of Eligible QIBs to whom this Preliminary Placement Document and Application Form is delivered has been determined by our Company in consultation with the BRLMs.</p> |
| <b>Equity Shares issued and outstanding immediately prior to the Issue</b> | 77,722,448* Equity Shares                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Equity Shares issued and outstanding immediately after the Issue</b>    | [●]* Equity Shares                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Issue procedure</b>                                                     | This Issue is being made only to Eligible QIBs in reliance on Section 42 of the Companies Act, read with Rule 14 of the PAS Rules, and all other applicable provisions of the Companies Act and Chapter VI of the SEBI ICDR Regulations. For further details, please refer to the section titled “ <i>Issue Procedure</i> ” on page 261.                                                                                                                                                                                                                                        |

|                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                     |
|------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| <b>Listing</b>                                       | Our Company has obtained in-principle approvals from the BSE and the NSE each dated December 10, 2024 under Regulation 28(1)(a) of the SEBI Listing Regulations for listing of the Equity Shares to be issued pursuant to the Issue.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                     |
| <b>Trading</b>                                       | <p>The trading of the Equity Shares would be in dematerialized form and only in the cash segment of each of the Stock Exchanges.</p> <p>Our Company will make applications to the respective Stock Exchanges to obtain final listing and trading approvals for the Equity Shares, to be issued pursuant to this Issue, after Allotment and credit of Equity Shares to the beneficiary account with the Depository Participant, respectively.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                     |
| <b>Lock-up</b>                                       | For details of the lock-up, please refer to the section titled “ <i>Placement and Lock-up</i> ” on page 275.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                     |
| <b>Transferability restrictions</b>                  | The Equity Shares Allotted pursuant to this Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of the Stock Exchanges. Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. Also, please refer to the sections titled “ <i>Issue Procedure</i> ”, “ <i>Selling Restrictions</i> ” and “ <i>Purchaser Representations and Transfer Restrictions</i> ” on pages 261, 277 and 285, respectively.                                                                                                                                                                                                                                                                                                                                                            |                     |
| <b>Use of proceeds</b>                               | <p>The gross proceeds from the Issue will be aggregating to approximately up to ₹ [●] million. The Net Proceeds from the Issue, after deducting expenses of the Issue, is expected to be approximately ₹ [●] million.</p> <p>Also, please refer to the section titled “<i>Use of Proceeds</i>” on page 102 for further information regarding the use of the Net Proceeds.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                     |
| <b>Risk factors</b>                                  | Please refer to the section titled “ <i>Risk Factors</i> ” on page 57 for a discussion of risks you should consider before investing in the Equity Shares.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                     |
| <b>Indian taxation</b>                               | For the statement of possible tax benefits available to our Company and our Shareholders and under the applicable laws in India, please refer to the section titled “ <i>Taxation</i> ” on page 297.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                     |
| <b>Closing Date</b>                                  | The Allotment of the Equity Shares pursuant to the Issue is expected to be made on or about [●].                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                     |
| <b>Status, ranking and dividends</b>                 | <p>The Equity Shares to be issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association and shall rank <i>pari passu</i> in all respects with the existing Equity Shares of our Company, including rights in respect of voting rights and dividends.</p> <p>Our Shareholders who hold Equity Shares as on the relevant record date will be entitled to participate in dividends and other corporate benefits, if any, declared by our Company after the Closing Date, in compliance with the Companies Act, SEBI Listing Regulations and other applicable laws and regulations. Our Shareholders may attend and vote in shareholders’ meetings in accordance with the provisions of the Companies Act. For further details, please refer to the sections titled “<i>Dividends</i>” and “<i>Description of the Equity Shares</i>” on pages 117 and 292, respectively.</p> |                     |
| <b>Voting rights</b>                                 | Please refer to the section titled “ <i>Description of the Equity Shares – Voting rights</i> ” on page 294.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                     |
| <b>Security codes/ Symbols for the Equity Shares</b> | <b>ISIN</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <b>INE602W01019</b> |
|                                                      | <b>BSE Code</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>543936</b>       |
|                                                      | <b>NSE Symbol</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <b>SENCO</b>        |

\*Our Board of Directors pursuant to their resolution dated October 4, 2024 and our Shareholders pursuant to a special resolution passed by way of a postal ballot on November 26, 2024, have approved the sub-division of each equity share of our Company of face value ₹ 10 each into 2 equity shares of face value of ₹ 5 each. However, as on the date of this PPD, we are yet to give effect to the sub-division including announcement of the record date for effecting the sub-division and completion of the corporate actions thereunder.

## **SELECTED FINANCIAL INFORMATION**

*The following tables set forth our selected financial information and should be read together with the applicable financial statements included in the section titled “Financial Information” beginning on page 316.*

*This selected financial information should be read in conjunction with the sections titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Financial Information”, on pages 118 and 316, respectively.*

*[The remainder of this page has intentionally been left blank]*

# SUMMARY OF AUDITED CONSOLIDATED BALANCE SHEET

(in ₹ million)

| Particulars                                                                  | As at March 31,<br>2024 | As at March 31,<br>2023 | As at March 31,<br>2022 |
|------------------------------------------------------------------------------|-------------------------|-------------------------|-------------------------|
| <b>ASSETS</b>                                                                |                         |                         |                         |
| <b>Non-current assets</b>                                                    |                         |                         |                         |
| (i) Property, plant and equipment                                            | 1,158.24                | 847.02                  | 691.00                  |
| (ii) Capital work-in progress                                                | 14.94                   | 130.64                  | 65.14                   |
| (iii) Right-of-use assets                                                    | 2,434.08                | 1,926.70                | 1,516.20                |
| (iv) Intangible assets                                                       | 27.54                   | 22.95                   | 24.59                   |
| (v) Financial assets                                                         |                         |                         |                         |
| a. Investments                                                               | 1.45                    | 1.27                    | 0.26                    |
| b. Other financial assets                                                    | 303.90                  | 559.42                  | 166.52                  |
| (vi) Deferred Tax Asset (Net)                                                | 228.42                  | 179.40                  | 141.27                  |
| (vii) Income tax assets (Net)                                                | 165.73                  | 184.87                  | 180.36                  |
| (viii) Other non-current assets                                              | 58.55                   | 190.90                  | 202.79                  |
| <b>Total non-current assets</b>                                              | <b>4,392.85</b>         | <b>4,043.17</b>         | <b>2,988.13</b>         |
| <b>Current assets</b>                                                        |                         |                         |                         |
| (a) Inventories                                                              | 24,570.19               | 18,854.57               | 13,912.45               |
| (b) Financial assets                                                         |                         |                         |                         |
| i. Trade receivables                                                         | 528.68                  | 454.22                  | 393.98                  |
| ii. Cash and cash equivalents                                                | 185.16                  | 94.83                   | 95.44                   |
| iii. Bank balances other than cash and cash equivalents                      | 5,328.46                | 4,280.90                | 2,692.69                |
| iv. Other financial assets                                                   | 1,545.83                | 712.60                  | 588.66                  |
| (c) Other current assets                                                     | 675.41                  | 612.90                  | 330.50                  |
| <b>Total current assets</b>                                                  | <b>32,833.73</b>        | <b>25,010.02</b>        | <b>18,013.72</b>        |
| <b>Total assets</b>                                                          | <b>37,226.58</b>        | <b>29,053.19</b>        | <b>21,001.85</b>        |
| <b>Equity</b>                                                                |                         |                         |                         |
| (a) Equity share capital                                                     | 777.04                  | 558.50                  | 531.86                  |
| (b) Instruments entirely equity in nature                                    | -                       | 132.96                  | 132.96                  |
| (c) Other Equity                                                             | 12,878.38               | 8,763.74                | 6,594.85                |
| <b>Total Equity</b>                                                          | <b>13,655.42</b>        | <b>9,455.20</b>         | <b>7,259.67</b>         |
| <b>Liabilities</b>                                                           |                         |                         |                         |
| <b>Non-current liabilities</b>                                               |                         |                         |                         |
| (a) Financial Liabilities                                                    |                         |                         |                         |
| i. Borrowings                                                                | 10.54                   | 14.26                   | 3.95                    |
| ii. Lease liabilities                                                        | 2,354.62                | 1,884.02                | 1,451.03                |
| iii. Other financial liabilities                                             | 43.54                   | 6.19                    | 8.38                    |
| (b) Provisions                                                               | 28.05                   | 6.32                    | 13.01                   |
| (c) Other non-current liabilities                                            | 18.93                   | 245.19                  | 0.12                    |
| <b>Total non-current liabilities</b>                                         | <b>2,455.68</b>         | <b>2,155.98</b>         | <b>1,476.49</b>         |
| <b>Current Liabilities</b>                                                   |                         |                         |                         |
| (a) Financial liabilities                                                    |                         |                         |                         |
| i. Borrowings                                                                | 14,972.85               | 11,757.48               | 8,625.72                |
| ii. Lease liabilities                                                        | 273.44                  | 213.51                  | 178.61                  |
| iii. Trade payables                                                          |                         |                         |                         |
| a) total outstanding dues of micro enterprises and small enterprises         | 183.27                  | 197.54                  | 124.59                  |
| b) total outstanding dues other than micro enterprises and small enterprises | 1,885.54                | 1,247.05                | 1,049.64                |
| iv. Other financial liabilities                                              | 687.16                  | 702.31                  | 335.69                  |
| (b) Other current liabilities                                                | 2,920.72                | 3,148.87                | 1,812.25                |
| (c) Provisions                                                               | 37.81                   | 20.20                   | 0.68                    |

| <b>Particulars</b>                  | <b>As at March 31,<br/>2024</b> | <b>As at March 31,<br/>2023</b> | <b>As at March 31,<br/>2022</b> |
|-------------------------------------|---------------------------------|---------------------------------|---------------------------------|
| (d) Current tax liabilities (net)   | 154.69                          | 155.05                          | 138.51                          |
|                                     |                                 |                                 |                                 |
| <b>Total current liabilities</b>    | <b>21,115.48</b>                | <b>17,442.01</b>                | <b>12,265.69</b>                |
| <b>Total liabilities</b>            | <b>23,571.16</b>                | <b>19,597.99</b>                | <b>13,742.18</b>                |
| <b>Total equity and liabilities</b> | <b>37,226.58</b>                | <b>29,053.19</b>                | <b>21,001.85</b>                |

**SUMMARY OF AUDITED CONSOLIDATED STATEMENT OF PROFIT AND LOSS**

*(in ₹ million, unless otherwise stated)*

| Particulars                                                                                        | For the year ended<br>March 31, 2024 | For the year ended<br>March 31, 2023 | For the year ended<br>March 31, 2022 |
|----------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| <b>Revenue from operations</b>                                                                     | 52,414.43                            | 40,774.04                            | 35,346.41                            |
| <b>Other income</b>                                                                                | 422.40                               | 311.36                               | 127.69                               |
| <b>Total income</b>                                                                                | <b>52,836.83</b>                     | <b>41,085.40</b>                     | <b>35,474.10</b>                     |
| <b>Expenses</b>                                                                                    |                                      |                                      |                                      |
| Cost of materials consumed                                                                         | 38,971.70                            | 29,722.19                            | 28,335.51                            |
| Purchases of stock-in-trade                                                                        | 10,084.14                            | 8,460.78                             | 5,643.80                             |
| Changes in inventories of finished goods and stock-in-trade                                        | (4,655.31)                           | (3,963.63)                           | (4,173.91)                           |
| Employee benefits expense                                                                          | 1,112.29                             | 933.80                               | 747.67                               |
| Finance costs                                                                                      | 1,081.03                             | 860.53                               | 697.02                               |
| Depreciation and amortisation expense                                                              | 601.09                               | 455.53                               | 421.15                               |
| Other expenses                                                                                     | 3,146.51                             | 2,454.68                             | 2,021.50                             |
| <b>Total expenses</b>                                                                              | <b>50,341.45</b>                     | <b>38,923.88</b>                     | <b>33,692.74</b>                     |
| <b>Profit before tax for the year(s)</b>                                                           | <b>2,495.38</b>                      | <b>2,161.52</b>                      | <b>1,781.36</b>                      |
| <b>Tax expense:</b>                                                                                |                                      |                                      |                                      |
| Current tax                                                                                        |                                      |                                      |                                      |
| - Current year                                                                                     | 728.02                               | 634.74                               | 506.71                               |
| - Pertaining to earlier year(s)                                                                    | -                                    | (21.38)                              | 0.57                                 |
| Deferred tax                                                                                       | (42.68)                              | (36.63)                              | (16.94)                              |
| <b>Total tax expenses</b>                                                                          | <b>685.34</b>                        | <b>576.73</b>                        | <b>490.34</b>                        |
| <b>Profit after tax</b>                                                                            | <b>1,810.04</b>                      | <b>1,584.79</b>                      | <b>1,291.02</b>                      |
| <b>Other Comprehensive Income</b>                                                                  |                                      |                                      |                                      |
| <b>Items that will not be reclassified to profit or loss</b>                                       |                                      |                                      |                                      |
| (a) Re-measurement of defined benefit plans                                                        | (25.20)                              | (6.96)                               | 5.21                                 |
| Income tax relating to above items                                                                 | 6.34                                 | 1.75                                 | (1.31)                               |
| (b) Gain on fair valuation of equity shares                                                        | 0.18                                 | 1.01                                 | -                                    |
| Income tax relating to above items                                                                 | (0.05)                               | (0.25)                               | -                                    |
| <b>Items that will be reclassified to profit or loss</b>                                           |                                      |                                      |                                      |
| Foreign currency translation difference                                                            | (1.86)                               | -                                    | -                                    |
| Effective portion of gain/(loss) on designated portion of hedging instruments in a cash flow hedge | -                                    | -                                    | 5.60                                 |
| Income tax relating to these items                                                                 | -                                    | -                                    | (1.41)                               |
| <b>Total Other Comprehensive Income</b>                                                            | <b>(20.59)</b>                       | <b>(4.45)</b>                        | <b>8.09</b>                          |
| <b>Total Comprehensive Income for the year</b>                                                     | <b>1,789.45</b>                      | <b>1,580.34</b>                      | <b>1,299.11</b>                      |
| <b>Profit for the year attributed to:</b>                                                          |                                      |                                      |                                      |
| - Owners of the company                                                                            | 1,810.04                             | 1,584.79                             | 1,291.02                             |
| - Non-controlling interest                                                                         | -                                    | -                                    | -                                    |
|                                                                                                    | <b>1,810.04</b>                      | <b>1,584.79</b>                      | <b>1,291.02</b>                      |
| <b>Other comprehensive income for the year attributed to:</b>                                      |                                      |                                      |                                      |
| - Owners of the company                                                                            | (20.59)                              | (4.45)                               | 8.09                                 |
| - Non-controlling interest                                                                         | -                                    | -                                    | -                                    |
|                                                                                                    | <b>(20.59)</b>                       | <b>(4.45)</b>                        | <b>8.09</b>                          |
| <b>Total comprehensive income for the year attributed to:</b>                                      |                                      |                                      |                                      |
| - Owners of the company                                                                            | 1,789.45                             | 1,580.34                             | 1,299.11                             |
| - Non-controlling interest                                                                         | -                                    | -                                    | -                                    |
|                                                                                                    | <b>1,789.45</b>                      | <b>1,580.34</b>                      | <b>1,299.11</b>                      |

| Particulars                                                          | For the year ended<br>March 31, 2024 | For the year ended<br>March 31, 2023 | For the year ended<br>March 31, 2022 |
|----------------------------------------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| <b>Earnings per equity share (Nominal value per share ₹ 10 each)</b> |                                      |                                      |                                      |
| Basic (₹)                                                            | 24.06                                | 22.93                                | 19.42                                |
| Diluted (₹)                                                          | 23.98                                | 22.87                                | 19.37                                |

**SUMMARY OF AUDITED CONSOLIDATED STATEMENT OF CASH FLOWS**

*(in ₹ million)*

| Particulars                                                      | For the year ended |                   |                   |
|------------------------------------------------------------------|--------------------|-------------------|-------------------|
|                                                                  | March 31, 2024     | March 31, 2023    | March 31, 2022    |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                      |                    |                   |                   |
| <b>PROFIT FOR THE YEAR BEFORE TAX</b>                            | <b>2,495.38</b>    | <b>2,161.52</b>   | <b>1,781.36</b>   |
| <b>Adjustments for:</b>                                          |                    |                   |                   |
| Depreciation and amortisation expense                            | 601.09             | 455.53            | 421.15            |
| Assets written off                                               | -                  | 3.54              | -                 |
| Finance costs                                                    | 1,081.03           | 860.53            | 697.02            |
| Share based payment expense                                      | 6.16               | 3.51              | 0.86              |
| Unrealised foreign exchange gain                                 | (5.95)             | (2.71)            | (0.92)            |
| Liabilities no longer required written back                      | (46.28)            | (18.35)           | (14.11)           |
| Unwinding of interest on security deposits paid                  | (15.91)            | -                 | -                 |
| Gain on lease modification                                       | (17.03)            | (13.05)           | -                 |
| Allowance for expected credit loss                               | -                  | 2.45              | (2.44)            |
| Bad debts written off                                            | -                  | 1.00              | -                 |
| Security deposits written off                                    | -                  | 12.11             | -                 |
| Interest income                                                  | (248.61)           | (164.45)          | (60.17)           |
| <b>Operating profit before working capital changes</b>           | <b>3,849.88</b>    | <b>3,301.63</b>   | <b>2,822.75</b>   |
| <b>(Increase)/decrease in assets:</b>                            |                    |                   |                   |
| Inventories                                                      | (5,715.62)         | (4,942.12)        | (3,519.02)        |
| Trade receivables                                                | (68.51)            | (60.98)           | (115.03)          |
| Other financial assets                                           | (558.32)           | (283.50)          | (51.14)           |
| Other assets                                                     | (68.26)            | (316.07)          | (143.65)          |
| <b>Increase / (decrease) in liabilities:</b>                     |                    |                   |                   |
| Trade payables                                                   | 451.89             | 270.36            | 564.88            |
| Other financial liabilities                                      | 280.03             | 269.31            | 166.00            |
| Provisions                                                       | 14.14              | 5.87              | (12.20)           |
| Other liabilities                                                | (415.90)           | 1,586.21          | (12.49)           |
| <b>CASH USED IN OPERATING ACTIVITIES</b>                         | <b>(2,230.67)</b>  | <b>(169.29)</b>   | <b>(299.90)</b>   |
| Income taxes paid (net of refunds)                               | (707.64)           | (591.74)          | (399.40)          |
| <b>NET CASH USED IN OPERATING ACTIVITIES (A)</b>                 | <b>(2,938.31)</b>  | <b>(761.03)</b>   | <b>(699.30)</b>   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                      |                    |                   |                   |
| Acquisition of property, plant and equipment & intangible assets | (382.33)           | (311.09)          | (246.91)          |
| Interest received                                                | 200.55             | 126.63            | 48.45             |
| Deposits made during the year                                    | (730.62)           | (1,905.59)        | (854.50)          |
| Changes in bank balances other than Cash and cash equivalents    | (272.36)           | 109.75            | (529.31)          |
| <b>NET CASH GENERATED/ (USED IN) INVESTING ACTIVITIES (B)</b>    | <b>(1,184.76)</b>  | <b>(1,980.30)</b> | <b>(1,582.27)</b> |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                      |                    |                   |                   |
| Proceeds from issue of equity shares                             | 2,482.27           | 750.00            | -                 |
| Dividends paid for current years (net of taxes)                  | (92.64)            | (114.24)          | (54.72)           |
| Dividends paid for earlier years                                 | -                  | -                 | (92.76)           |

| Particulars                                                          | For the year ended |                 |                 |
|----------------------------------------------------------------------|--------------------|-----------------|-----------------|
|                                                                      | March 31, 2024     | March 31, 2023  | March 31, 2022  |
| Proceeds from non-current borrowings                                 | -                  | 19.60           | -               |
| Repayment of non-current borrowings                                  | (3.49)             | (7.05)          | (2.80)          |
| Proceeds from current borrowings (net)                               | 3,215.14           | 3,129.52        | 3,308.03        |
| Principal repayment of lease liabilities                             | (312.16)           | (204.32)        | (173.18)        |
| Interest repayment of lease liabilities                              | (284.77)           | -               | -               |
| Finance costs paid                                                   | (790.95)           | (832.79)        | (692.69)        |
|                                                                      |                    |                 |                 |
| <b>NET CASH GENERATED FROM FINANCING ACTIVITIES (C)</b>              | <b>4,213.40</b>    | <b>2,740.72</b> | <b>2,291.88</b> |
| <b>NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b> | <b>90.33</b>       | <b>(0.61)</b>   | <b>10.31</b>    |
| Cash and cash equivalents at the beginning of the year               | 94.83              | 95.44           | 85.13           |
| Cash and cash equivalents at the end of the year                     | <b>185.16</b>      | <b>94.83</b>    | <b>95.44</b>    |

**SUMMARY OF UNAUDITED CONSOLIDATED BALANCE SHEET AS AT SEPTEMBER 30, 2024**

*(in ₹ million)*

| <b>Particulars</b>                                                            | <b>As at September 30, 2024</b> |
|-------------------------------------------------------------------------------|---------------------------------|
| <b>ASSETS</b>                                                                 |                                 |
| <b>Non-current assets</b>                                                     |                                 |
| (a) Property, plant and equipment                                             | 1,161.90                        |
| (b) Capital work-in progress                                                  | 12.34                           |
| (c) Right-of-use assets                                                       | 2,516.37                        |
| (d) Intangible assets                                                         | 30.83                           |
| (e) Financial assets                                                          |                                 |
| i. Investments                                                                | 1.45                            |
| ii. Other financial assets                                                    | 174.69                          |
| (f) Deferred Tax Asset (Net)                                                  | 266.66                          |
| (g) Income tax assets (Net)                                                   | 173.82                          |
| (h) Other non-current assets                                                  | 100.17                          |
| <b>Total non-current assets</b>                                               | <b>4,438.23</b>                 |
| <b>Current assets</b>                                                         |                                 |
| (a) Inventories                                                               | 28,943.92                       |
| (b) Financial assets                                                          |                                 |
| i. Trade receivables                                                          | 879.96                          |
| ii. Cash and cash equivalents                                                 | 170.07                          |
| iii. Bank balances other than cash and cash equivalents                       | 5,017.33                        |
| iv. Other financial assets                                                    | 1,060.10                        |
| (c) Other current assets                                                      | 954.37                          |
| <b>Total current assets</b>                                                   | <b>37,025.75</b>                |
| <b>Total assets</b>                                                           | <b>41,463.98</b>                |
|                                                                               |                                 |
| <b>EQUITY</b>                                                                 |                                 |
| (a) Equity share capital                                                      | 777.22                          |
| (b) Instruments entirely equity in nature                                     | -                               |
| (c) Other Equity                                                              | 13,455.41                       |
| <b>Total Equity</b>                                                           | <b>14,232.63</b>                |
|                                                                               |                                 |
| <b>LIABILITIES</b>                                                            |                                 |
| <b>Non-current liabilities</b>                                                |                                 |
| (a) Financial Liabilities                                                     |                                 |
| i. Borrowings                                                                 | 8.59                            |
| ii. Lease liabilities                                                         | 2,426.49                        |
| iii. Other financial liabilities                                              | 45.28                           |
| (b) Provisions                                                                | 35.96                           |
| (c) Other non-current liabilities                                             | 15.77                           |
| <b>Total non-current liabilities</b>                                          | <b>2,532.09</b>                 |
| <b>Current Liabilities</b>                                                    |                                 |
| (a) Financial liabilities                                                     |                                 |
| i. Borrowings                                                                 | 16,144.56                       |
| ii. Lease liabilities                                                         | 310.54                          |
| iii. Trade payables                                                           |                                 |
| (a) total outstanding dues of micro enterprises and small enterprises         | 214.85                          |
| (b) total outstanding dues other than micro enterprises and small enterprises | 4,050.25                        |
| (b) Other financial liabilities                                               | 341.47                          |
| (c) Other current liabilities                                                 | 3,565.41                        |
| (d) Provisions                                                                | 48.65                           |
| (e) Current tax liabilities (net)                                             | 23.53                           |
| <b>Total current liabilities</b>                                              | <b>24,699.26</b>                |
| <b>Total liabilities</b>                                                      | <b>27,231.35</b>                |
| <b>Total equity and liabilities</b>                                           | <b>41,463.98</b>                |

**SUMMARY OF UNAUDITED CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE SIX MONTHS PERIOD ENDED SEPTEMBER 30, 2024**

*(in ₹ million, unless otherwise stated)*

| <b>Particulars</b>                                                                                 | <b>For the six months period ended September 30, 2024</b> |
|----------------------------------------------------------------------------------------------------|-----------------------------------------------------------|
| <b>Revenue from operations</b>                                                                     | 29,043.76                                                 |
| <b>Other income</b>                                                                                | 272.02                                                    |
| <b>Total income</b>                                                                                | <b>29,315.78</b>                                          |
| <b>Expenses</b>                                                                                    |                                                           |
| Cost of materials consumed                                                                         | 23,457.60                                                 |
| Purchases of stock-in-trade                                                                        | 7,420.17                                                  |
| Changes in inventories of finished goods and stock in trade                                        | (6,100.49)                                                |
| Employee benefits expense                                                                          | 672.95                                                    |
| Finance costs                                                                                      | 647.87                                                    |
| Depreciation and amortisation expense                                                              | 359.10                                                    |
| Other expenses                                                                                     | 1,986.91                                                  |
| <b>Total expenses</b>                                                                              | <b>28,444.11</b>                                          |
| <b>Profit before tax for the period</b>                                                            | <b>871.67</b>                                             |
| <b>Tax expense:</b>                                                                                |                                                           |
| Current tax                                                                                        |                                                           |
| - Current period                                                                                   | 275.97                                                    |
| - Pertaining to earlier period (s)                                                                 | -                                                         |
| Deferred tax credit                                                                                | (38.24)                                                   |
| <b>Total tax expenses</b>                                                                          | <b>237.73</b>                                             |
| <b>Profit after tax for the period</b>                                                             | <b>633.94</b>                                             |
| <b>Other Comprehensive Income</b>                                                                  |                                                           |
| <b>Items that will not be reclassified to profit or loss</b>                                       |                                                           |
| (a) Re-measurement of defined benefit plans                                                        | 2.61                                                      |
| Income tax relating to above items                                                                 | (0.66)                                                    |
| (b) Gain on fair valuation of equity shares                                                        | -                                                         |
| Income tax relating to above items                                                                 | -                                                         |
| <b>Items that will be reclassified to profit or loss</b>                                           |                                                           |
| Foreign currency translation difference                                                            | 13.53                                                     |
| Effective portion of gain/(loss) on designated portion of hedging instruments in a cash flow hedge | -                                                         |
| Income tax relating to these items                                                                 | -                                                         |
| <b>Total Other Comprehensive Income</b>                                                            | <b>15.48</b>                                              |
| <b>Total Comprehensive Income for the period</b>                                                   | <b>649.42</b>                                             |
| <b>Profit for the period attributed to:</b>                                                        |                                                           |
| - Owners of the company                                                                            | 633.94                                                    |
| - Non-controlling interest                                                                         | -                                                         |
|                                                                                                    | <b>633.94</b>                                             |
| <b>Other comprehensive income for the period attributed to:</b>                                    |                                                           |
| - Owners of the company                                                                            | 15.48                                                     |
| - Non-controlling interest                                                                         | -                                                         |
|                                                                                                    | <b>15.48</b>                                              |
| <b>Total comprehensive income for the period attributed to:</b>                                    |                                                           |
| - Owners of the company                                                                            | 649.42                                                    |
| - Non-controlling interest                                                                         | -                                                         |
|                                                                                                    | <b>649.42</b>                                             |
| <b>Earnings per equity share (Nominal value per share ₹ 10 each)</b>                               |                                                           |
| Basic (₹)                                                                                          | 8.16                                                      |
| Diluted (₹)                                                                                        | 8.13                                                      |

**SUMMARY OF STATEMENT OF UNAUDITED CONSOLIDATED CASH FLOW FOR THE SIX MONTHS PERIOD ENDED SEPTEMBER 30, 2024**

(in ₹ million)

| Particulars                                                           | For the six months period<br>September 30, 2024 |
|-----------------------------------------------------------------------|-------------------------------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                           |                                                 |
| <b>PROFIT FOR THE PERIOD BEFORE TAX</b>                               | <b>871.67</b>                                   |
| <b>Adjustments for:</b>                                               |                                                 |
| Depreciation and amortisation expense                                 | 359.10                                          |
| Assets written off                                                    | -                                               |
| Finance costs                                                         | 647.87                                          |
| Share based payment expense                                           | 2.30                                            |
| Unrealised foreign exchange gain                                      | (6.73)                                          |
| Liabilities no longer required written back                           | (16.24)                                         |
| Unwinding of interest on security deposits paid                       | (10.81)                                         |
| Gain on lease modification                                            | (22.22)                                         |
| Allowance for expected credit loss                                    | -                                               |
| Bad debts written off                                                 | -                                               |
| Security deposits written off                                         | -                                               |
| Interest income                                                       | (200.77)                                        |
| <b>Operating profit before working capital changes</b>                | <b>1,624.17</b>                                 |
| <b>(Increase)/decrease in assets:</b>                                 |                                                 |
| Inventories                                                           | (4,373.73)                                      |
| Trade receivables                                                     | (344.55)                                        |
| Other financial assets                                                | 479.93                                          |
| Other assets                                                          | (279.13)                                        |
|                                                                       |                                                 |
| <b>Increase / (decrease) in liabilities:</b>                          |                                                 |
| Trade payables                                                        | 2,196.29                                        |
| Other financial liabilities                                           | (425.60)                                        |
| Provisions                                                            | 21.36                                           |
| Other liabilities                                                     | 657.77                                          |
|                                                                       |                                                 |
| <b>CASH USED IN OPERATING ACTIVITIES</b>                              | <b>(443.49)</b>                                 |
| Income taxes paid (net of refunds)                                    | (382.62)                                        |
| <b>NET CASH USED IN OPERATING ACTIVITIES (A)</b>                      | <b>(826.11)</b>                                 |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                           |                                                 |
| Acquisition of property, plant and equipment & intangible assets      | (193.64)                                        |
| Interest received                                                     | 184.20                                          |
| Deposits made during the period                                       | 296.96                                          |
| Changes in bank balances other than Cash and cash equivalents         | 165.75                                          |
| <b>NET CASH GENERATED/ (USED IN) INVESTING ACTIVITIES (B)</b>         | <b>453.27</b>                                   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                           |                                                 |
| Proceeds from issue of equity shares                                  | 5.03                                            |
| Dividends paid for current period (net of taxes)                      | -                                               |
| Dividends paid for earlier periods                                    | -                                               |
| Proceeds from non-current borrowings                                  | -                                               |
| Repayment of non-current borrowings                                   | (1.83)                                          |
| Proceeds from current borrowings (net)                                | 1,171.59                                        |
| Principal repayment of lease liabilities                              | (172.18)                                        |
| Interest repayment of lease liabilities                               | (163.60)                                        |
| Finance costs paid                                                    | (481.26)                                        |
|                                                                       |                                                 |
| <b>NET CASH GENERATED FROM FINANCING ACTIVITIES (C)</b>               | <b>357.75</b>                                   |
| <b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b> | <b>(15.09)</b>                                  |
| Cash and cash equivalents at the beginning of the period              | 185.16                                          |
| Cash and cash equivalents at the end of the period                    | <b>170.07</b>                                   |

## RISK FACTORS

*This Issue and an investment in the Equity Shares involve a certain degree of risk. You should carefully consider all the risks and uncertainties described below as well as other information contained in this Preliminary Placement Document before making an investment in the Equity Shares. If any particular risk or some combination of the risks described below actually occurs, our business, results of operation, 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. Unless specified in the risk factors below, we are not in a position to quantify the financial implications of any of the risks mentioned below. We have described the risks and uncertainties that we currently believe to be material, but the risks set out in this Preliminary Placement Document may not be exhaustive or complete, and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or become material in the future. This section should be read together with “Industry Overview”, “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 153, 210 and 118, respectively, as well as the financial statements, including the notes thereto, and other financial information included in “Financial Information” on page 316.*

*Our fiscal year ends on March 31 of each year. Accordingly, references to a “Fiscal” year are to the 12-month period ended March 31 of the relevant year. Unless otherwise indicated or the context otherwise requires, the financial information for Fiscals 2024, 2023 and 2022 included herein is derived from the Audited Consolidated Financial Statements, and the financial information for the six months period ended September 30, 2024 included herein is derived from the Unaudited Consolidated Financial Results included in this Preliminary Placement Document. For further information, see “Financial Information” on page 316. The Unaudited Consolidated Financial Results of our Company are not indicative of our Company’s annual performance and are not comparable with the Audited Consolidated Financial Statements.*

*Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled “Industry Research Report on Indian Gems and Jewellery” (“**CARE Report**”) dated December 2024 prepared and issued by CARE Analytics and Advisory Limited exclusively commissioned and paid for by us to enable the investors to understand the industry in which we operate in connection with this Issue. The data included herein includes excerpts from the CARE Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the proposed Issue), that has been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the CARE Report and included herein with respect to any particular year refers to such information for the relevant calendar/Fiscal, as applicable.*

### INTERNAL RISK FACTORS

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

Competition in the retail Indian jewellery industry is significant. We operate in highly competitive and fragmented markets, and competition in these markets is based primarily on market trends, pricing and customer preferences. The players in the retail jewellery sector in India often offer their products at highly competitive prices and many of them are well established in their local markets. Some of the major organised jewellery retailers in India include Titan Company Limited, Kalyan Jewellers, P.N Gadgil Jewellers Limited, Thangamayil Jewellery Limited and TBZ, and others (Source: CARE Report). Also, some of the organised jewellery retailers in India include Kalyan Jewellers, Asian Star Company Ltd., Titan Ltd., Joyalukkas India Ltd (Source: CARE Report). For details of the major organised jewellery retailers in India and eastern India, please see the section “Industry Overview” on page 153 of this Preliminary Placement Document.

Some of our competitors may be larger than us in terms of business volume and may have greater capital, technical capabilities and financial and other resources than us which may enable them to secure opportunities at lower prices or to otherwise incentivize the buyers. In addition, our competitors that are smaller specialized entities may compete effectively against us in a particular region based on price, size and established regional trust with the local customers. For details of our competitors, see the section “Our Business – Competition” on page 237 of this Preliminary Placement Document.

Further, we face increasing competition from e-commerce retailers in the jewellery sector in India. E-commerce platforms help smaller players, including those from the unorganized sector, to compete more

effectively by showcasing their products and in turn, providing substantial visibility. We commenced our e-commerce operations in Fiscal 2016, which was considerably later than several of our competitors who, as a result, may have a more established presence on such platforms. While we do currently use e-commerce platform to increase our sales, our stronghold remains on a brick and mortar model in which we establish physical presence in different geographies. While we have been enrolled in Open Network on Digital Commerce (“ONDC”) to further our e-commerce expansion strategy, our competitors who have adopted an asset-light, low capital expenditure model, focused primarily on e-commerce, may have an advantage over older and more traditional competitors like us. While we believe that we currently compete effectively in the e-commerce space, we cannot assure you that we will continue to do so with new competitors who may adopt this model. Additionally, larger competitors may offer promotional deals to customers, especially during festivals, which we may not be able to match. This could lead to a loss of existing customers or hinder our ability to attract new ones, potentially having a material adverse effect on our business, financial condition, results of operations, and prospects. Our principal competitive factors include brand name, product designs, product range, quality, innovation and creativity, price transparency, customer centricity, scalability of production, showroom location, designs suited to local preferences, advertising and promotion. We cannot give any assurances that we will be able to compete successfully on all of these factors against existing or future competitors in the future. For details of the prominent jewellers retailing jewellery through e-commerce, please see the section “Industry Overview” on page 153.

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

We also face competition from the unorganised segment which comprised 64.8% of the total market in India as of fiscal 2024 (*Source: CARE Report*). While organised jewellery retailers have been growing faster than the industry, the unorganised segment still constitutes majority of the market. The jewellery retailing industry in India has traditionally been dominated by family-owned small-size standalone stores, which are operated largely on trust and referred to as unorganised players. A significant portion of such jewellery retailers in the unorganised sector operate through partnerships/ proprietary concerns, as compared to our Company, which is regulated by the provisions of the Companies Act. Such corporate structures may offer our competitors in the unorganized sector more flexibility, particularly in terms of access to capital, amongst other things. We cannot assure you that we will be able to compete with the unorganized sector effectively, which could adversely affect our business, results of operations, financial conditions and prospects.

For further details on unorganised market, please see the section “Industry Overview” on page 153 of this Preliminary Placement Document.

2. ***Our revenues have been significantly dependent on sale of gold jewellery, which accounted for 85.11%, 85.36%, 88.03% and 85.76% of our total revenue from operations for Fiscals 2024, 2023 and 2022 and for the six months period ended September 30, 2024, 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.***

Our revenue from sale of gold jewellery amounted to ₹ 44,611.46 million, ₹ 34,806.66 million, ₹ 31,114.59million and ₹ 24,907.56 million in Fiscals 2024, 2023, 2022, and for the six months period ended September 30, 2024, respectively. The revenue from sale of gold jewellery accounted for 85.11%, 85.36%, 88.03% and 85.76 % of our total revenue from operations in Fiscals 2024, 2023 and 2022, and for the six months period ended September 30, 2024, respectively.

The availability of gold, being our key raw material, may be adversely affected due to various reasons, which might affect our production of gold jewellery. Further, shift towards daily wear or studded jewellery, will also reduce demand for gold. Any decrease in supply of gold or our inability to effectively procure gold at

competitive rates, in time, or at all, may adversely impact our business, financial condition, results of operations and growth prospects. Further, factors that may adversely impact sale of gold jewellery, such as imposition of increased KYC regulations or changing consumer preferences, may lead to decrease in our revenues. Accordingly, any factors adversely affecting our sales of gold jewellery may negatively impact our business, financial condition, results of operations and prospects. In addition, the availability and consumer acceptance of conflict based diamonds or alternate stones such as laboratory grown diamonds and chemical vapour deposition (“CVD”) diamonds has resulted in rapidly changing consumer preferences.

To cater the silver jewellery needs of our customers, we have launched our ‘Gossip’ brand for fast-moving, fashionable and easy-to-wear jewellery. Further, to facilitate regular usage of jewellery, which is inspired from nature or geometrical shapes, we have launched our light-weight gold and diamond ‘Everlite’ brand. Our Aham brand has been designed especially for the cosmopolitan man.

3. ***Our income and sales are subject to seasonal fluctuations and fluctuations across formats and lower income in a peak season may have a disproportionate effect on our results of operations. Therefore, a sequential quarter-to-quarter comparison of our results of operations may not be a good indicator of our performance.***

Our sales in certain regions have historically exhibited certain seasonal fluctuations, reflecting higher sales volumes and profit margins during festival periods and other occasions such as Akshay Tritiya, Durga Puja, Dhanteras, Diwali, Poila Baisakh and Valentines Day. Further, our marketing schemes vary as per occasion, season and the needs of our customers and are tailored to befit occasions such as weddings, anniversaries, birthdays and Valentine’s Day, when people customarily buy jewellery.

‘Akshay Tritiya’, ‘Dhanteras’ and ‘Diwali’ are amongst the biggest jewellery buying festivals, during which season we generally record higher sales and further, we also capitalise on new years of various states such as West Bengal, Odisha and Maharashtra to promote sales. Further, our sales have historically exhibited certain seasonal fluctuations, reflecting higher sales volumes on festivals and other occasions such as ‘Bihu’ and ‘Durga Puja’, amongst others, which generally occur in the third and fourth quarter of the fiscal year. This period also coincides with the wedding season in India. While we stock certain inventory to account for this seasonality, our fixed costs such as lease rentals, employee salaries, showroom operating costs and logistics-related expenses, which form a significant portion of operating costs, are relatively constant throughout the year.

The following table sets forth our inventory and inventory days for the periods indicated below:

| Particulars                         | Unaudited Financials for the six months period ended September 30, 2024 | Audited Financials for the year ended March 31, 2024 | Audited Financials for the year ended March 31, 2023 | Audited Financials for the year ended March 31, 2022 |
|-------------------------------------|-------------------------------------------------------------------------|------------------------------------------------------|------------------------------------------------------|------------------------------------------------------|
| Inventories (₹ million)             | 28,943.92                                                               | 24,570.19                                            | 18,854.57                                            | 13,912.45                                            |
| Revenue from Operations (₹ million) | 29,043.76                                                               | 52,414.43                                            | 40,774.04                                            | 35,346.41                                            |
| Inventory Days (# of days)*         | 169                                                                     | 151                                                  | 147                                                  | 126                                                  |

\*Inventory days calculated as average inventories divided by revenue from operations multiplied by 365 days for the full year and 183 days for the period ended September 30, 2024.

Consequently, lower than expected sales during the third or fourth quarters of the fiscal year or more pronounced seasonal variations in sales in the future could have a disproportionate impact on our operating results for the fiscal year, or could strain our resources and significantly impair our cash flows. Further, as a result of the above, our quarter-on-quarter financial results may not be comparable or a meaningful indicator of our futuristic performance. Any slowdown in demand for our jewellery during peak seasons or failure by us to accurately anticipate and prepare for such seasonal fluctuations could have an adverse effect on our business, financial condition and results of operations.

**4. Due to the geographic concentration of our sales in the eastern and north eastern regions of India, our results of operations and financial condition are subject to fluctuations in regional economic conditions.**

During the six months period ended September 30, 2024 and for the Fiscals 2024, 2023, 2022, 80.44%, 80.46% and 81.55%, 84.89% of our revenue from sale of products from showrooms, respectively, was generated from these regions. Our concentration of sales in these regions heightens our exposure to adverse developments related to competition, economic downturn and demographic changes in these regions. In addition, the regions in which we operate are susceptible to natural disasters and other catastrophes public disturbances like riots, strikes, telecommunication failures and political unrest and may be disadvantageous for us as compared to more geographically diversified competitors. For example, our store Howrah, West Bengal, remained shut for 1 day on March 31, 2023, owing to public disturbance in the region. Additionally, our store in Bhadrak remained shut for 1 day on October 25, 2024, due to the cyclone Dana.

Any adverse development that affects the performance of the showrooms located in these regions could have a material adverse effect on our business, financial condition and results of operations. Our ability to expand into new markets is dependent on our understanding of local consumer preferences, particularly in regions where we have limited presence. Failure to accurately assess and adapt to these preferences could result in a mismatch between our product offerings and market demand, potentially leading to lower sales and diminished brand recognition.

Additionally, any disruption in the supply chain in these new markets—whether due to logistical challenges, political instability, or local economic conditions—could severely impact our ability to maintain adequate inventory levels, causing delays in product availability, missed sales opportunities, and increased operational costs.

Finally, while we aim to expand our footprint, there may be limited growth potential in certain markets once they reach saturation. In such cases, we may face challenges in maintaining growth rates, impacting long-term revenue generation and limiting our ability to scale operations effectively.

**5. If we are unable to continue to develop innovative, fashionable and popular designs, demand for our jewellery may decrease, adversely affecting our revenues and financial condition.**

The jewellery industry is subject to rapid and unpredictable changes in fashion trends and customer preferences. As on September 30, 2024, we have a jewellery designing team of 14 members responsible for introducing new and innovative designs for our jewellery. Over the years while we have embraced new technologies and machineries to introduce new and innovative designs, we also use current software and technologies, including having three dimensional (3D) printing capabilities and laser cutting machines installed at our facility to cater to the demand for newer designs in a timebound manner. However, there is no guarantee that adoption of such technology will allow us to gain favour with customers or that our designs will meet customer preferences at a national or local level. Customer preferences for jewellery designs and types vary significantly from region to region in India. In addition, the availability and consumer acceptance of conflict based diamonds or alternate stones such as laboratory grown diamonds and chemical vapour deposition (“CVD”) diamonds has resulted in rapidly changing consumer preferences.

Our success depends on our ability to identify, originate and define product and market trends, both on a pan- India and local level, as well as to anticipate, gauge and react to rapidly changing consumer demands in a timely manner. Our products must also appeal to a broad range of customers whose preferences may vary significantly across regions and cannot be predicted with certainty. We cannot assure you that the demand for our products with end-consumers will continue to grow or that we will be able to continue to develop appealing styles or meet rapidly changing consumer demands in the future. Misjudging the market for our jewellery products or failing to anticipate a shift in the consumer preferences could adversely affect our brand image, our business and financial condition. We rely on handcrafted jewellery, if handcrafted jewellery is perceived out of fashion, a large variety of our designs will be rendered obsolete. We must therefore continue to develop innovative, trend-setting and stylish jewellery designs that are different from our competitors. Market acceptance of new designs and products is subject to uncertainty and we cannot assure you that our efforts will be successful. We have a dedicated design department, a pool of merchandisers and regularly conduct market surveys and analysis of global design websites to understand latest trends. However, there can be no assurance that our efforts would bear fruit or that we would be able to produce designs that are acceptable to customers. The inability of new designs or new jewellery lines to gain market acceptance or our inability to cater changing customer preferences could adversely affect our

brand image, our business and financial condition. Achieving market acceptance for new designs or new jewellery lines may also require substantial marketing efforts and expenditures to increase consumer demand, which could constrain our management, financial and operational resources. If new designs we introduce do not experience broad market acceptance, our revenues could decline. In addition, due to the competitive nature of the jewellery market in which we operate, the innovative designs remain the key differentiators, which normally possess short life span.

- 6. *Our ability to attract customers is dependent on the success and visibility of our Company Operated Showrooms and our Franchisee Operated Showrooms. Our failure to attract optimal volume of customers to our Company Operated Showrooms and our Franchisee Operated Showrooms could materially and adversely affect our business, financial condition and results of operations.***

We endeavour to open showrooms in optimal locations and generally consider a relevant location's catchment area, demographics, spending capacity, economic conditions, cost-benefit analysis and proximity to our competitors showrooms. Sales at our Company Operated Showrooms and our Franchisee Operated Showrooms are derived, in part, from the volume of customer visits in the relevant locations. Showroom locations may become unsuitable due to, and our sales volume and customer traffic generally may be slowed by, among other things: economic downturns in a particular area; government imposed lockdowns due to pandemics, competition from nearby jewellery retailers; increased rentals; changing consumer demographics in a particular market; changing lifestyle choices of consumers in a particular market; and the popularity of other businesses located near the location. Along with our dependence on customers visiting our showrooms, our success is dependent upon the continued popularity of particular locations. Changes in areas around our Company Operated Showrooms' and our Franchisee Operated Showrooms' location that result in reductions in customer traffic or otherwise render the location unsuitable could result in reduced sales volume, which could materially and adversely affect our business, financial condition and results of operations. For instance, in Fiscal 2018, we closed one of our Company Operated Showroom in Bengaluru and relocated another Company Operated Showroom within the city because of inadequate customer footfall and location not being strategically placed at these Company Operated Showrooms and in Fiscal 2023, we relocated our stores in Vashi in Maharashtra, Shipra in Ghaziabad and Pune in Maharashtra to more strategic locations in anticipation of higher customer traffic and sales volume. Further, our franchisee store in Aligarh was closed and two of our franchisee operated stores were converted to company operated showrooms in Fiscal 2024.

- 7. *Successful operations of our new Company Operated Showrooms are dependent on a number of factors. Our inability to successfully operate our new Company Operated Showrooms may adversely affect our business, financial condition and results of operation.***

The success of our new Company Operated Showrooms depends on a number of factors, including, amongst others:

- our ability to position our new Company Operated Showrooms to successfully establish a foothold in new markets and to execute our business strategy in new markets;
- our ability to successfully integrate the new Company Operated Showrooms with our existing operations and achieve related synergies;
- our ability to introduce an optimal mix of merchandise which successfully meets local customer preferences at attractive prices;
- the effectiveness of our marketing campaigns;
- our ability to hire, train and retain skilled personnel;
- the competition that we face from incumbent and new retailers in the region;
- any government development or construction plans around our planned sites which could have an impact on the external traffic flow to our Company Operated Showrooms and the timely implementation of such changes;
- The availability of suitable sites for our showrooms in prime and desirable areas on commercially acceptable terms; and

If any of our new Company Operated Showroom does not break even or achieve our expected level of profitability within our expected timeframe, or at all, our plans and our results of operations, financial condition and profitability may be materially and adversely affected and we may decide to close some of our Company Operated Showrooms. Finally, if we are forced to close any of our Company Operated Showrooms, we may not be able to realise our investment cost.

## 8. Our Stores are vulnerable to security and operational risks

Our business handles valuable raw materials and jewellery among other goods, making us susceptible to various threats, including security risks. We cannot assure that similar incidents won't occur in the future, potentially resulting in financial losses that may not be fully covered by insurance.

In the past two years, our franchise network has experienced incidents of dacoity at five locations: Dankuni, Ranaghat, Raniganj, Purulia, and Jajpur. These incidents have resulted in an average financial loss of approximately ₹40 million per incident. While we have received insurance claims for the dacoity at Dankuni and Jajpur, claims for the remaining locations are still in progress, which introduces uncertainty regarding recovery of losses.

The recurrence of such security breaches poses a significant risk to our operational stability and financial performance. Although measures are being implemented to enhance security protocols and reduce the likelihood of future incidents, there can be no assurance that these efforts will be successful. Furthermore, any potential delays in insurance claims or reductions in claim amounts may adversely impact our financial position.

## 9. We rely significantly on our franchisees, and if our franchisees cannot develop or finance new showrooms or build them on suitable sites, open them on schedule or manage them successfully, or if we are unable to renew our existing franchisees or secure new franchisees on commercially acceptable terms, our growth and success may be affected.

As of the years ended March 31, 2024, March 31, 2023 and March 31, 2022, and for the period ended September 30, 2024, we had a total of 66, 61, 57 and 67 Franchisee Showrooms, respectively, which formed 41.51%, 44.85%, 44.88% and 40.12% of our total number of Showrooms as on the respective year ends. For the years ended March 31, 2024, March 31, 2023 and March 31, 2022 and six months period ended 30 September 2024, revenue from sale of products to our franchisees amounted to ₹16,478.96, ₹ 12,904.99 million, ₹ 12,595.47 million and ₹ 9,862.61million, respectively; and other operating revenue from franchisees amounted to ₹ 97.54 million, ₹ 76.56 million, ₹ 92.49 million and ₹ 45.96 million, respectively.

Set out below are the details of our company operated showrooms and franchisee operated showrooms as on September 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2024:

| Particulars                   | As on September 30, 2024 | As on March 31, 2024 | As on March 31, 2023 | As on March 31, 2022 |
|-------------------------------|--------------------------|----------------------|----------------------|----------------------|
| Company operated showrooms    | 100                      | 94                   | 75                   | 70                   |
| Franchisee operated showrooms | 67                       | 66                   | 61                   | 57                   |
| <b>Total</b>                  | <b>167</b>               | <b>160</b>           | <b>136</b>           | <b>127</b>           |

Our revenues from sales channels for the respective fiscals were as follows:

| (in ₹ million) |                                         |                  |                  |                  |
|----------------|-----------------------------------------|------------------|------------------|------------------|
| Particulars    | For the period ended September 30, 2024 | Fiscal 2024      | Fiscal 2023      | Fiscal 2022      |
| COCO           | 17,793.33                               | 33,678.16        | 26,695.02        | 21,997.10        |
| Franchisee     | 9,862.61                                | 16,478.96        | 12,904.99        | 12,595.47        |
| Others*        | 1,340.16                                | 2,460.87         | 1,374.91         | 912.43           |
| <b>Total</b>   | <b>28,996.10</b>                        | <b>5,2617.99</b> | <b>40,974.92</b> | <b>35,505.00</b> |

\*Others constitute exports, DiGi Gold, DG Silver, corporate and e-commerce sales.

For further details in relation to our showrooms, please see- “Our Business-Showrooms” on page 227 of this Preliminary Placement Document.

Our business strategy depends significantly on the successful franchising of our brand. We may not be able to identify suitable franchisees or we may not appropriately manage our existing franchisees. Although we have developed criteria to evaluate and screen prospective franchisees, we cannot be certain that the franchisees we select will have the business acumen or financial resources necessary to operate successful

franchisees. Further, we cannot be certain that our franchisee partners may be able to obtain working capital at favourable terms or at all. While franchisees are independent business operators and have purchase targets laid down under the terms of our franchisee agreements, we do not exercise absolute control over their day-to-day operations. We provide training and support to franchisees and set and monitor operational standards, but there can be no assurance that our training and standards will be effective, and the quality of our Franchisee Showroom operations may be diminished by various factors beyond our control such as management control, operational variability, quality variability, brand reputation and termination of the agreement. The failure of franchisees to maintain required standards as defined in our franchise agreement could adversely affect our reputation, our brands and our business, financial condition, results of operations and prospects. Further, our FOFO agreements and FOCO agreements are valid for an initial term of five years and three years, respectively, and are renewable on mutually acceptable terms. In terms of our FOFO agreements and FOCO agreements, we typically charge a one-time initial franchisee fee, payable at the time of the execution of the respective agreement. The initial franchisee fee is valid only for the period of the agreement and we may, subject to our discretion, charge a franchisee fee for renewal of the FOFO and FOCO agreements. While we do not have a revenue sharing model with our franchisee, our FOCO and FOFO agreements require the franchisee to mandatorily purchase all the products being sold at our franchisee store, exclusively from us. We keep a margin on the sale of our products to the Franchisees. In the event that these existing franchisee agreements are terminated or they are not renewed on commercially acceptable terms, it could adversely affect our revenue from operations.

Further, all our franchisees with whom we enter into FOFO agreements are required to mandatorily comply with the terms and conditions laid out in the respective franchisee agreements. In addition to the initial franchisee fee, the franchisees have to ensure that the location of the showroom meets the specifications identified by us. Further, the franchisee is required to (i) employ qualified personnel to perform all design, construction and remodelling work; (ii) obtain our approval for construction, remodelling and decorating the showroom; (iii) obtain and maintain in good standing all licenses, permits and certifications required for lawful construction or remodelling of the showroom; (iv) bear the entire expense towards setting up of the showroom; (v) use only such signs, furniture, fixtures, and equipments, and inventories that conform to the standards and are purchased from a vendor, supplier or manufacturer designated and approved by us; (vi) prominently display in, on, and around the showroom signs using the proprietary marks and other advertising signs of such nature, form, colour, number, location, and size, and containing such material, as approved and provided by us; (vii) purchase branded weighing machine for gold and diamonds, gold induction melting furnace and XRF machine; (viii) obtain and maintain with a reputable insurance company acceptable to us, standard insurance; (ix) borne expenses relating to advertisement, promotion and other support services related to the Business including providing uniform, botches, training etc. In addition, the franchisee is also required to fulfil its respective purchase targets continuously during the period of the agreement. Further, in terms of our FOCO Agreements, we offer certain additional support to our franchisees with respect to trade schemes, discounts, recruitment and training of personnel, annual maintenance of the business software and other support in running of the FOCO stores as may be required. The company has also introduced BAM (Business Associate Model) in 4 cities, under this model the Business Associate invests in store capital expenditure, IT, interiors etc. and our Company receives commission as BAM fees on net sales value.

The BAM model relies heavily on the business associate's understanding of the company's business processes, including operations, strategy, and networking. Any inefficiency or lack of alignment in these areas could directly impact store sales and, consequently, overall profitability. Additionally, the adoption of new models presents a risk, as they may fail to meet growth projections or perform as anticipated. Ideological and ideational differences between the company and the business associate may also arise, potentially disrupting operations, negatively affecting sales, and diminishing profitability.

Franchisees may from time to time disagree with our business strategies or our interpretation of rights and obligations under the franchise agreement. This may lead to disputes with our franchisee, which could have a material adverse effect on our business, financial condition, results of operations and prospects. For instance, with respect to our franchisee showroom at Agartala, Tripura due to breach of certain covenants of the franchise agreement by the other party, the agreement was not renewed and we had to relocate our Agartala, Tripura showroom. Further, in 2021, one of our franchisee owner at the Gangarampur, West Bengal showroom was unable to manage the showroom and as a result, we had to close this Showroom. Two franchisee stores were closed in each of Fiscals 2024 and 2023 and one in Fiscal 2022 due to operational reasons. We are also involved in certain consumer disputes in relation to our franchisee in Bhopal, Madhya Pradesh relating to default under our Swarna Yojana Scheme. We cannot assure you that we will not face such disputes in the future. In addition, if one or more of these franchisees were to become insolvent or

otherwise were unwilling or unable to pay us their fees, it could adversely affect our financial condition and results of operations.

- 10. Our business depends on our ability to attract and retain skilled Karigars/ Karigar entities, designers and sales personnel and employees. Our failure to attract or retain such personnel could materially and adversely affect our business, results of operations and financial condition. Further, our franchisees employ their own personnel at our franchisee stores and such personnel are not under our management. Any negative actions by such personnel may have an adverse impact on our business and brand image.**

Set out below are the details of the personnel engaged or employed by our Company as on September 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022:

| Particulars                                   | Number of Employees as on |                |                |                |
|-----------------------------------------------|---------------------------|----------------|----------------|----------------|
|                                               | September 30, 2024        | March 31, 2024 | March 31, 2023 | March 31, 2022 |
| Permanent Employees of our Company            | 2,688                     | 2,464          | 2,138          | 1,864          |
| (a) Employees working at the Corporate Office | 479                       | 487            | 464            | 361            |
| (b) Employees working in the showrooms        | 2,105                     | 1,878          | 1,584          | 1,434          |
| (c) Employees working at the factory          | 104                       | 99             | 90             | 69             |
| Contracted Security Staff                     | 593                       | 529            | 468            | 434            |
| Contracted house-keeping staff                | 331                       | 316            | 260            | 238            |
| Other Contractual personnel                   | 79                        | 66             | 52             | 107            |

Our success depends on our ability to attract, hire, train and retain skilled designers, craftsmen and sales personnel. In the jewellery retail industry, the level and quality of sales personnel and customer service are key competitive factors and an inability to recruit, train and retain suitably qualified and skilled sales personnel could adversely impact our reputation, business prospects and results of operations. We have historically experienced difficulty in identifying, training and retaining sales personnel. While we spend significant resources in training of our employees, we cannot assure you that our employees will be able to perform their respective tasks in a skilled manner or at all. Additionally, the employees of our franchisee stores are not our employees. The respective franchisee is primarily responsible for the training of such employees and impart them the necessary skills required in our line of business. While we do provide training support to our franchisee, we cannot assure or control the quality of services offered by the employees of our franchisees. Any negative quality of service will impact our brand image.

Further, we employ third party contractors for security of our operations, showrooms, manufacturing facility and our head office. Any adverse actions such as fraud or theft by such third party contractors or lack of skilled training required for our industry will have an adverse impact on our business operations and financial results.

Further, there can be no assurance that the attrition rates for our employees, particularly our sales personnel, will not increase as compared to our present attrition rates. 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.

- 11. A significant portion of our manufacturing work is done by Karigars who do not work exclusively for us which exposes us to any risks/adverse developments affecting the Karigars /Karigar entities.**

Most of the manufacturing of our jewellery products is done by experienced and skilled Karigars/ Karigar entities. They manufacture the jewellery based on designs provided to them by us on job work basis. While we enter into written arrangements with them for the work undertaken by them and even though some of them have been working with us for significantly long periods, most of them do not work exclusively for us. Set out below are the details of the Karigars/ Karigar entities basis the type of contract/arrangement our Company has had with such Karigars/ Karigar entities for the six months period ended September 30, 2024 and for Fiscals 2024, 2023 and 2022:

| Particulars                                                  | For the six months period ended September 30, 2024 | Fiscal 2024 | Fiscal 2023 | Fiscal 2022 |
|--------------------------------------------------------------|----------------------------------------------------|-------------|-------------|-------------|
| Karigars/ Karigar entities who were employees of our Company | Nil                                                | Nil         | Nil         | Nil         |
| Karigars/ Karigar entities with exclusive contracts          | Nil                                                | Nil         | Nil         | Nil         |
| Karigars/ Karigar entities with non-exclusive contracts      | 179                                                | 197         | 170         | 110         |
| <b>Total</b>                                                 | <b>179</b>                                         | <b>197</b>  | <b>170</b>  | <b>110</b>  |

The agreements do not include a provision for non-compete and are of a short duration of two years, with the option to renew. Our competitors may offer them better terms, which may cause them to prefer our competitors over us. As per the terms of the Karigar Agreement, payments are typically made to Karigars/ Karigar entities by our Company within 30 days of the date of receipt of an invoice. In case some or all of such Karigars/ Karigar entities decide to not undertake manufacturing work of our jewellery products, we will have to strain our resources to find other Karigars/ Karigar entities who may not agree to commercially acceptable terms or at all. Further, while our Karigar Agreements do have restrictions on the supply of our designs and disclosure about the transactions, our jewellery designs may still be shared openly in the market which may damage our results of operations. Further, our Karigars/Karigar entities may use the same designs for our competitors which could decrease our capability to compete with them and which could further impact our profitability and future revenues.

Our supply of raw materials to manufacture jewellery is limited to Karigars/ Karigar entities who have worked with us for longer periods of time. Additionally, we may be adversely affected by any theft of the raw material or finished products given to the Karigars/ Karigar entities while such material is in their possession. Further, during the COVID-19 pandemic, our business suffered an adverse impact due to delay in issuing metal and in turn, affecting the delivery of the finished products from the Karigars/ Karigar entities due to the nation-wide lockdown.

Additionally, the Karigars/ Karigar entities may keep security either in the form of gold/bullion in any form and/or interest free refundable security in any other form and the quantum of such security shall be mutually agreed between the Karigar/ Karigar entities and our Company.

Our Company has engaged the services of 179 Karigars/ Karigar entities as on September 30, 2024. The Karigars/ Karigar entities are also exposed to operating risks such as the breakdown, lockdown due to pandemics/epidemics, or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, other natural disasters and industrial accidents and shortage of skilled and unskilled manpower. The occurrence of any of these events could have a material adverse effect on our business, financial condition and results of operations.

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

As on November 30, 2024, our Company, on a consolidated basis, has a total working capital sanction limit amounting to ₹ 31,290.00 million, which includes: (i) consortium sanctioned limit aggregating to ₹ 9,000.00 million which includes cash credit/ working capital demand loan facilities amounting to ₹ 7,700.00 million having interchangeability of ₹ 2,510.00 million as gold metal loan (earmark cash credit) and gold metal loan

limit of ₹ 1,300.00 million having interchangeability of ₹ 760.00 million as cash credit/working capital demand loan; (ii) working capital facility sanctioned outside consortium as cash credit/ working capital demand loan amounting to ₹ 7,280.00 million having interchangeability of ₹ 3,130.00 million as gold metal loan (earmark cash credit) and gold metal loan limit of ₹ 1,450.00 million having interchangeability of ₹ 240.00 million as cash credit/working capital demand loan and (iii) working capital facility outside consortium as gold metal loan limit amounting to ₹ 13,210.00 million.

Our business requires a substantial amount of working capital, primarily to finance the purchase of raw materials. We intend to continue growing by setting up new Company Operated Showrooms, new franchisee operated showrooms and increase our focus on sale of diamond jewellery for which we need incremental working capital. Further, in addition to the requirement of funds as provided in “*Use of Proceeds – Funding working capital requirements of the Company*” on page 102, we may need to obtain additional financing in the normal course of business from time to time as we expand our operations. We may not be successful in obtaining additional funds in a timely manner and/or on favourable terms including rate of interest, primary security cover, collateral security, terms of repayment, or at all. Moreover, certain of our loan documentations contain provisions that limit our ability to incur future debt. If we do not have access to additional capital, we may be required to delay, scale back or abandon some or all of our plans or growth strategies or reduce capital expenditures as well as the size of our operations may get constrained.

Further, we may need to seek funding through additional borrowings or securities offerings. We cannot assure you that such funding will be obtained in a timely manner, on satisfactory terms, or at all. Moreover, if we raise additional debt, our interest expense will increase and our debt covenants under our existing loans may be impacted. If we raise additional funds through the issuance of equity, your ownership interest in our Company will be diluted.

Since gold metal loans carry lower rate of interest as compared to other working capital loans any change in the mix of gold metal loans to other working capital loans may result in an increase in interest costs. We have in the past, and we may even in the future continue to rely on financial support from our Promoters. For example, we rely on personal guarantees from our Promoter and members of promoter group for certain financing arrangements entered into by us. There can be no assurance that in the future we will continue to receive financial support from our Promoter and members of promoter group or be able to secure alternative sources for such financial support.

Prudential norms including single and group borrower concentration limits prescribed by the RBI to bank lenders in India (as well as corresponding limits under our financing arrangements with such bank lenders) may restrict our ability to seek additional credit facilities from our current bank lenders to fund our business requirements in the future. Therefore, we may be required to maintain multiple banking relationships on an ongoing basis or enter into new banking relationships in the future. We cannot assure you that new bank credit facilities will be available to us in a timely manner, on commercially viable terms, or at all. In the light of the same there has been an addition of numerous new bankers in our banking consortium which includes, RBL Bank, IndusInd Bank and Bank of Baroda.

Any fluctuations in interest rates may directly impact the interest costs of such loans and, in particular, any increase in interest rates could adversely affect our results of operations. If interest rates increase, our interest payments will increase and our ability to obtain additional debt and non-fund based facilities could be adversely affected with a concurrent adverse effect on our business, financial condition and results of operations.

**13. *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.***

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.

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 showrooms. 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.

14. ***The use of the words “Senco” in the corporate and trading names by certain third parties who have the right to use those words in their names may lead consumers to confuse them with our Company and if they experience any negative publicity, this could have an adverse effect on our business, results of operations and financial condition. This confusion might also lead to our Company losing business to such competitors and might adversely affect our goodwill. Additionally, we may be subjected to other similar Reputational Risks including PR crises, negative reviews etc. which would have similar repercussions.***

We believe that primary factors in determining customer buying decisions in India’s jewellery sector include price, confidence in the merchandise sold, and the level and quality of customer service. The ability to differentiate our products from competitors by our brand-based marketing strategies is a key factor in attracting consumers.

The Senco Brand is owned by Senco itself.

Further, our application for the trademark “DIGIGOLD” was refused and rejected. If any of our unregistered trademarks are registered in favour of a third party, we may not be able to claim registered ownership of such trademarks and consequently, we may be unable to seek remedies for infringement of those trademarks by third parties other than relief against passing off by other entities. Our current business was carried on by our Founder Chairman, Late Sankar Sen and his predecessors, as an unincorporated entity from 1966 until our Company was incorporated. Prior to incorporation of our Company, the unincorporated entity through which we were conducting our business was reconstituted several times owing to the retirement of partners. By the deed(s) of retirement, certain of these retiring partners have the right to use the brand name “Senco” with the modifications through prefixes and suffixes specified in the respective deeds. Consequently, these retiring partners and their heirs use the name “Senco” with prefix or suffix as a part of their trade name or corporate name. The use of the words “Senco” in the corporate and trading names of these third parties may lead consumers to confuse them with our Company and if they experience any negative publicity, it could have an adverse effect on our business, results of operations and financial condition. This confusion might also lead to our Company losing business to such competitors and might adversely affect our goodwill. For details of our ongoing intellectual property rights dispute, see “– We have not registered certain trademarks used by us for our business and our inability to obtain or maintain these registrations may adversely affect our competitive business position. Our inability to protect or use our intellectual property rights may adversely affect our business” on page 71.

15. ***We have been subject to a ‘search and seizure’ operation by the income-tax department in the past, which has resulted in taxation and criminal proceedings being initiated against our Company and our Individual Promoter. We have also been subject to an on spot search from the Directorate General of Central Excise Intelligence, Kolkata along with show cause notice. Further, a search has been conducted by the customs department at our Registered and Corporate Office in relation to an investigation against one of our Job Worker and vendor and a spot summons was issued to our Company. Any adverse outcome of such proceedings might have an adverse effect on our business, financial condition and results of operations.***

Our Company received a communication dated November 22, 2016 from the Directorate General of Central Excise Intelligence, Kolkata (“DGCEI”) under Central Excise Act, 1944, for submission of addresses of branches/outlets, records of opening and closing balance of gold, diamond, precious stone stud gold jewellery and silver jewellery as on March 1, 2016, quantity of gold/ precious stone stud gold jewellery, silver jewellery and other items manufactured and cleared/sold, value of such manufactured articles, central excise duty paid on such goods cleared/sold from factory and certain other information. Our Company vide its letter dated December 26, 2016, provided the details of productions and clearance of gold jewellery.

On January 6, 2017, an on spot search was conducted at our Registered Office and Corporate Office, at our manufacturing facility located at Rabindra Sarani, Kolkata, West Bengal and at two of our Company Operated Showrooms located at Kolkata, by officials of the DGCEI. In the course of the search, the DGCEI officials inspected and seized certain documents from the searched premises. Thereafter, DGCEI issued several

notices of summons between January 7, 2017 to February 28, 2017 to our Company and to our Director, Suvankar Sen, for personal appearance and provision of information and documents, of which last summon proceedings was held on March 6, 2017. Subsequently, our Company received a request for certain clarification from DGCEI on availment of input service credit and reversal/payment of amount in respect of clearance of exempted goods during financial year 2016-17 and up to June 2017. Our Company has from time to time provided information and clarifications requested by the officials of the DGCEI including by way of replies dated September 1, 2020 and September 8, 2020.

Our Company received a show cause cum demand notice dated May 31, 2021, from DGCEI (“SCN”) alleging that our Company has contravened Section 3 of the Central Excise Act, 1944 read with Rule 4 of the Central Excise Rules, 2002 and Rules 6(3), 8 and 12 of the Central Excise Rules, 2002. Further, the SCN also stated as to why the central excise duty of ₹ 68.85 million should not be demanded from our Company under Section 11A of the Central Excise Act, 1944 along with interest and penalties and wrongly availed CENVAT credit should not be recovered from our Company. However, our Company had voluntarily paid an amount of ₹ 33.99 million between January 4, 2017 and January 6, 2017 and ₹ 34.86 million through utilisation of input service credit amounting to ₹ 68.85 million. Further, our Company has provided a detailed reply to the SCN to Additional Director General, DGCEI, on July 27, 2021, praying that the SCN should be set aside as the penalty under the Section 11AC of the Central Excise Act, 1944 is not applicable in the event the entire excise duty and interest under Section 11AA of the Central Excise Act, 1944 is paid prior to the issuance of the SCN.

Thereafter, our Company has received hearing notice on November 24, 2023 from the department for adjudication of the said matter pursuant to which an order dated has been passed by the Principal Commissioner, GST Kolkata wherein the following demands have been confirmed (i) demand of CENVAT Credit of ₹ 15.93 million under Rule 14 of CENVAT Credit Rule 2004 along with Interest at an appropriate rate in terms of section 11AA of CEA 1944; (ii) penalty of ₹ 68.85 million under section 11AC(1)(c) of CEA 1944 and (iii) penalty of ₹ 20.72 million under Rule 15(2) of CENVAT Credit Rules read with section 11AC(1)(e) of CEA 1944. We have filed an appeal before CESTAT, Kolkata on April 23, 2024 against the order and the matter is currently pending before CESTAT Kolkata.

Pursuant to the search and seizures that were conducted on January 6, 2017, our Company was issued a notice by the Assistant Commissioner of Income Tax, Central Circle – 4(1), Kolkata, dated October 31, 2017, under Section 153A of the IT Act, initiating block assessment. Our Company has responded to the above notice by way of a submission dated February 2, 2018. Additionally, by way of notices under Section 142(1) and Section 143(2) of the IT Act issued by the Deputy Commissioner of Income Tax, Central Circle – 4(1), Kolkata in the year 2018, certain additional information and documents were sought in relation to seven assessment years, being assessment years 2011 – 2012 to 2017 – 2018. Our Company had provided replies to such notices providing the requisite information and documents.

Our Company also received a show cause notice dated December 19, 2018 in connection with the abovementioned search and seizure related scrutiny assessment proceedings for the assessment year 2017-2018, asking us to explain as to why, amongst others, our books of accounts should not be rejected in terms of the provisions of Section 145 of the IT Act and the differential amounts set out in the show cause notice dated December 19, 2018 should not be treated as our undisclosed income with respect to the sale of gold on November 8, 2016. We filed our reply dated December 24, 2018, providing our response to the abovementioned show cause notice.

Our Company received assessment orders dated December 31, 2018 for the assessment years 2011 – 2012 to 2017 – 2018 from Assistant Commissioner, Central Circle – 4(1), Kolkata with respect to demands of various sums for the abovementioned assessment years for to which our Company has filed appeal to the Commissioner of Income-tax vide Form-35 for each of the assessment years 2011-2012 to 2017-2018. Post our appeals, we have received rectification orders for the assessment years 2011-12, 2012-2013 and 2013-14. With respect to the assessment year 2014-2015, our appeal was disallowed by the Commissioner of Income-tax. Our Company filed an appeal before the Income Tax Appellate Tribunal (“ITAT”). The ITAT vide its order dated January 22, 2020 allowed our appeal. A new assessment order dated March 18, 2021, was received by our Company from the Assistant Commissioner of Income Tax, Central CIR 4(1), Kolkata allowing a refund order to our Company. We have not received any demand for the assessment years 2016-2017. The matter is presently pending before the Commissioner of Income-tax for assessment years 2015-2016 and 2017-2018 with respect to the demand orders of ₹ 1.89 million and ₹ 72.67 million, respectively.

However, we have received notice under Section 148A of the IT Act 1961 relating to assessment year 2016-17, in relation to query on a property taken on sub-lease from M/s Hahnemann Publishing Co Pvt Ltd and M/s Dedico Reality Private Limited. We have submitted a reply on April 13, 2023. In this matter the Department has alleged that Assessee has not given the satisfactory explanation with source in respect of the payment of ₹ 1.15 million and Stamp Duty of ₹ 8.05 million. The AO has passed the Order dated April 18, 2023 u/s 148A (b) of IT Act and stated that it is a fit case for issuing notice u/s 148. Thereafter, we have filed our reply dated May 30, 2023 against the above Notice. Now the matter is pending before the Deputy Commissioner of Income Tax, Kolkata. Finally, for Assessment year AY 2015-16, a refund order has been passed by AO post allowing of entire TDS amount of ₹ 4.81 million through rectifying the Order passed by AO on May 11, 2023. Apart from that the matter is presently pending before the Commissioner of Income-tax (Appeals) for assessment years 2017-2018 with respect to the demand orders of ₹ 74.74 million. Notice dated November 30, 2024 has been issued from CIT(A) Kolkata-27 for personal hearing for AY 2017-18 which has been fixed on December 16, 2024.

Our Company had also received summons under Section 131 of the IT Act from the Office of Deputy Director of Income Tax (Investigation), Unit 3(3), Mumbai and Office of the Assistant Director of the Income Tax (Investigation)-II asking us to provide our books of documents and other relevant information and documents which our Company duly provided.

Further, we received noticed dated February 4, 2019 along with a reminder on February 5, 2021, under Section 133(6) from Assistant Director of Income-Tax (Investigation), Unit-I seeking information under Section 131(IA) of the IT Act requesting us to send the copies of KYC details submitted by customers in relation to their purchase of gold on November 8, 2016 from our Ranchi office.

Subsequently, we received a notice dated March 11, 2021 from the Assistant Commissioner, Central CIR 4(1), Kolkata under Section 148 of the IT Act for re-assessment of income for the assessment year 2017-18, asking us to deliver a return in the prescribed form for assessment year 2017-18. Subsequent notice for re-assessment for the assessment year 2017-18 was received from the Assistant Commissioner, Central CIR 4(I), Kolkata on October 8, 2021. We filed a return under Section 148 of the IT Act on October 19, 2021 and provided our reply to the abovementioned notices mentioning that we have filed our reassessment return under Section 148 of the IT Act and requested the Assistant Commissioner, Central CIR 4(1), Kolkata to provide us the basis of reopening the assessment for the year 2017-18 to which we received a reply dated January 25, 2022 from Assistant Commissioner, Central CIR 4(1), Kolkata. Further notices were received by our Company on the abovementioned reassessment for the assessment year 2017-18 seeking further information and documents from our Company to which we have replied. We have received a notice dated March 22, 2022 under Section 274 read with Section 270A of the IT Act together with a demand order dated March 22, 2022, from Assistant Commissioner, Central CIR 4(1), Kolkata under Sections 143(3)/147 read with Section 156 of the IT Act for an amount of ₹ 28.92 million for under reporting of income for the assessment year 2017-18. Further, we have also been asked to appear before the Assistant Commissioner of the Income Tax, Central CIR 4(1), Kolkata on May 10, 2022 to show cause as to why an order imposing a penalty on us should not be made under Section 270A of the IT Act. Our Company has filed Form-35, appealing to the Commissioner of Income-Tax, Central CIR 4(1), Kolkata against the abovementioned demand order. The matter is presently pending. The said demand of ₹ 28.92 million has been adjusted with the refund amount of ₹ 58.47 million against AY 2021-22 vide Order dated March 15, 2024.

Further, the Deputy Director of Income Tax (Investigation), Unit-2(1), Kolkata filed a criminal complaint against our Company and our Individual Promoter and Director, namely, Suvankar Sen under Section 277A of the IT Act alleging that our Company had accepted old and illegal tender, post demonetization, on November 8, 2016; and that sales recorded in the books of accounts of our Company as having been made on November 8, 2016 were actually made post November 8, 2016 and were deliberately recorded as having been made on November 8, 2016 in the books of our Company. The matter was further heard on September 06, 2022, wherein the Judicial Magistrate, First Court, Alipore directed the Officer in Charge Rabindra Sarobar Police Station to submit the pending report. Post the same, the matter was heard on November 15, 2022, January 20, 2023, April 3, 2023 and was last heard on May 31, 2023 for the purpose of evidence. The matter is currently pending before the Judicial Magistrate, First Court, Alipore and the next date of hearing has been fixed on April 28, 2025.

Additionally, we have been subject to a spot search by customs authorities on April 12, 2022 in connection with an authorized search at the premises of Unique Chains Private Limited, one of our job worker and vendor. Subsequently, the Superintendent of Customs (Preventive), Preventive & Intelligence Branch, issued

a spot summons under Section 108 of the Customs Act, 1962 to one of our employees, Debjit Mallick, General Manager (Production). Pursuant to the search at our Registered and Corporate Office, we were asked for submission of requisite documents for clarification of discrepancies as noticed during the search at the business-cum-office premise of Unique Chains Private Limited. We have submitted the documents and such documents have been taken in to custody vide the search list under Section 105 of the Customs Act, 1962.

For further details of the taxation and criminal proceedings initiated against our Company and our Individual Promoter by the income tax department, please refer to “*Legal Proceedings*” on page 301.

Any adverse outcome of such proceedings shall result into civil or criminal liability with maximum imprisonment extending from three months to seven years and fine, which might result in a material adverse effect on our reputation and that of our Individual Promoter, and on our business prospects, financial condition and results of operations.

- 16. *If we were to lose the services of members of our senior management team or key management personnel, our business and prospects may be adversely affected. Moreover, our failure to attract, motivate and retain sufficient skilled designers and sales personnel may adversely affect our business, results of operations, financial condition and prospects.***

As of September 30, 2024, we had 2,688 employees on our records. Set out below are the details of our employees as of September 30, 2024:

| <b>Particulars</b>           | <b>Number of Employees</b> |
|------------------------------|----------------------------|
| Total number of employees    | 2,688                      |
| Showroom                     | 2,105                      |
| Head office/ Regional Office | 479                        |
| Factory                      | 104                        |

Additionally, as of September 30, 2024, we have highly qualified and trained management team placed at head quarters, zonal and regional levels. Our future success depends on substantial part on our ability to recruit, hire, motivate, develop, and retain talented and highly skilled personnel and our senior management. We believe that the inputs and experience of our senior management are valuable for the development of business and operations and the strategic directions taken by our Company. For details in relation to the experience of our Key Management Personnel and Senior Management Personnel, see “*Board of Directors and Senior Management*” on page 239. There is no assurance, however, that these individuals or any other member of our senior management team will not leave us or join a competitor, in the future.

Loss of the services of our individual Promoter or any of Key Management Personnel or Senior Management Personnel 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.

Further, in the jewellery industry, the level and quality of sales personnel and customer service and designs are key competitive factors and an inability to recruit, train and retain suitably qualified and skilled sales personnel could adversely impact our reputation, business, prospects and results of operations. Achieving this objective may be difficult due to many factors, shortages in skilled personnel, competitors’ hiring and retention practices, new entrants into the market, and the effectiveness of our hiring, compensation and retention programs.

Our average employee attrition rates for the six months period ended September 30, 2024 was 12%, which we believe to be consistent for an organisation of our size and in our business. If we do not succeed in retaining, training and motivating our existing employees, including our Key Management Personnel and Senior Management Personnel, and in attracting and training new personnel, our business, results of operation, financial condition and prospects may be adversely affected.

- 17. *Volatility in the market price of gold and diamonds has a bearing on the value of our inventory and may affect our income, profitability and scale of operations.***

The jewellery industry generally is affected by fluctuations in the price and supply of gold, to a lesser extent, diamonds and other precious and semi-precious metals and stones. Gold prices have been volatile in the recent past, although, there has been an increased investment demand for gold globally. During the years ended March 31, 2024, March 31, 2023, March 31, 2022, and for the six months period ended September 30, 2024 we incurred expense of ₹ 40,032.01 million, ₹ 30,700.68 million, ₹ 27,679.32 million and ₹ 21,730.83 million, respectively, on purchases of raw materials. Fluctuations in gold prices may affect consumer demand as well as operating costs of our Company. An increase in the price of gold may result in an increase in our income from inventory held for sales assuming such increases do not adversely affect sales volumes. However, a significant increase in the price of gold or a negative outlook on future gold prices could, in the short term, adversely affect our sales volumes. Any such fluctuation in the price of gold, diamonds or other raw materials may materially and adversely affect our revenue from operations and profitability. Based on our present hedging policy, we generally hedge a major part of our inventory to mitigate fluctuation of commodity prices. In case of any adverse movement in the commodity prices we may be exposed financial loss which are accounted for as per Ind AS.

We record the value of our inventory at the lower of net realisable value and cost, which in the case of gold, silver and diamonds is the annual weighted average cost. As at March 31, 2024, our inventory of gold (includes raw material, finished goods and stock in trade) was ₹ 19,869.72 million and our inventory of diamond and precious/ semi-precious stones (includes raw materials and finished goods) was ₹ 4182.98 million. We endeavour to buy the same quantity of gold at the same price end of each period usually Day/week to match the amount of gold sold during that period. Although this reduces our exposure to volatility in the price of gold, it does not eliminate the risk with respect to the inventory already held which has suffered losses. A prolonged decline in the price of commodities would have an adverse effect on the value of our inventory, which in turn would have an adverse effect on our results of operations and financial condition.

**18. *We have not registered certain trademarks used by us for our business and our inability to obtain or maintain these registrations may adversely affect our competitive business position. Our inability to protect or use our intellectual property rights may adversely affect our business.***

Our name and trademarks are significant to our business and operations. We believe that several of our trade names have significant brand recognition. The use of our brand name or logo by third parties could adversely affect our reputation, which could in turn adversely affect our financial performance and the market price of the Equity Shares. We have made applications for registration of trademark in relation to our Company, including our Company's logo and other marks. We have received objections from the Registrar of Trademarks in relation to certain other applications made for the registration of trademarks. See "Our Business – Intellectual Property" on page 236. Accordingly, these registrations have not yet been granted as on the date of this Preliminary Placement Document including for Senco Gold & Diamonds Craftsmanship

for You  and Senco Gold & Diamonds . In the absence of such protection, we may not be able to prevent infringement of our trademark and a passing off action may not provide sufficient protection until such time that this registration is granted. Any misuse of our logo could adversely affect our reputation which could in turn adversely affect our financial performance and the market price of the Equity Shares.

Further, in relation to the logos of Senco Gold & Diamonds and Senco Gold & Diamonds Craftsmanship for You, we had applied for trademark on July 30, 2014, and January 18, 2017, which have been objected to. We use these logos as a part of our corporate branding, advertisement and also as a part of our corporate stationary. Any adverse outcome of these opposition proceedings may hinder our ability to use these logos in part or at all in the future. This in turn could affect our reputation, business, results of operations and prospects.

If any of our unregistered trademarks are registered in favour of a third party, we may not be able to claim registered ownership of such trademarks and consequently, we may be unable to seek remedies for infringement of those trademarks by third parties other than relief against passing off by other entities. If such claims are raised in the future, these claims could result in costly litigation, divert management's attention and resources, subject us to significant liabilities and require us to enter into potentially expensive royalty or licensing agreements or to cease certain offerings. Our inability to obtain or maintain these registrations may adversely affect our competitive business position, affect our brand value and consequently have an adverse effect on our business, results of operations and financial condition.

Further, as on the date of this Preliminary Placement Document, our Company has 120 registered trademarks under various classes, of which 53 are under the proprietorship name of Senco Gold Limited, 66 are under the proprietorship name of the Suvankar Sen and 1 is under the proprietorship of P C Sen Charitable Trust.

Moreover, although we change our jewellery designs on a regular basis, we do not register such designs under the Design Act, 2000. As such, it would be difficult for us to enforce our intellectual property rights on our designs and if our competitors copy our designs, in particular the designs of our products available on our website or the designs given to Karigars/ Karigar entities. While we have not faced any recorded instances of such losses in the last five years, if our competitors successfully copy our designs, we may suffer a loss of revenue, which could adversely affect our results of operations and financial condition. Further, designs developed by us may inadvertently infringe the intellectual property rights of third parties, which may expose us to legal proceedings. As a result, we are susceptible to litigation for infringement of intellectual property rights. Any such litigation, proceedings or allegations could materially and adversely affect our reputation.

19. ***We may not be successful in implementing our brand building, marketing and advertising initiatives for our brands. Any fall in our brand's reputation or that our brand ambassadors and market perception about "Senco Gold & Diamonds", may adversely pose a reputational risk and affect our business, results of operations and prospects.***

Our business is significantly dependent on the reputation and awareness of our brand, "Senco Gold & Diamonds". We believe that the recognition and reputation of "Senco Gold & Diamonds" among consumers has contributed significantly to the growth and success of our business.

The ability to differentiate our brand, "Senco Gold & Diamonds", and our products from our competitors through our advertisement and sales promotion is an important factor in attracting customers. Additionally, the recognition of our brand "Senco Gold & Diamonds" has enabled us to develop and implement our franchisee model through our Franchisee Showrooms. As the majority of our income is derived from our retail distribution of gold and gold-studded jewellery and coins, diamond, platinum and silver jewellery products, creating and maintaining public awareness of our brand is crucial to our business and accordingly we invest in various marketing and advertising campaigns. For instance, we have contracted with actors Kartik Aryan, Kiara Advani and Vidya Balan as brand ambassadors to enhance our brand presence and market our products. We also regularly tie-up with other regional celebrities, such as Ishaa Saha (alias Moumita Saha), Sauraseni Mitra, Swastika Dutta and Jaya Ahsan to boost our presence in regional markets. During the Fiscals 2024, 2023 and 2022, and for the six months period ended September 30, 2024, we incurred expenses of ₹ 1,033.73 million, ₹ 810.36 million, ₹ 505.82 million and ₹ 665.73 million, respectively, on advertising and sales promotion representing 1.97%, 1.99%, 1.43% and 2.29%, respectively of the revenue from operations for the respective periods. If these campaigns are poorly executed, or if our customers lose confidence in our brand ambassadors for any reason, our ability to attract and retain customers could be adversely affected. Further, we may not derive benefits from brand ambassadors appointed by us for reasons that may not be linked to the performance of our Company. If the brand ambassadors appointed by our Company do not convey the appropriate message to customers or if there is any adverse publicity around such brand ambassadors, we may fail to derive any benefits from such advertising campaigns. Additionally, if we fail to implement our marketing strategies associated with specific seasons, such as the wedding season, or festival such as 'Diwali', 'Dhanteras', 'Poila Baisakh', 'Durga Puja' and 'Akshay Tritiya', our sales may be adversely affected. There can be no assurances that we will be able to sustain optimal levels of advertisement and sales promotion expenses in the future or that such marketing expenses shall yield desired benefits. Failure to do so could adversely affect our business, financial condition, prospects and results of operation.

Our ability to maintain these brands depends on our ability to maintain the popularity, attractiveness and quality of the products and services we offer, maintain or improve consumer satisfaction with our services and products, and increase brand awareness through investment in brand building initiatives. Additionally, our ability to further develop and enhance our brand is contingent on multiple factors, including our ability to incur a significant amount of expenditure on brand development in the future. Our customers have come to expect a high level of quality for our products, and our failure to deliver on that expectation could adversely impact our brands and reputation. In particular, from time to time we plan on launching new products and/or collections. If any such products or collections do not meet our customer expectations, our reputation and revenues may be negatively impacted. Further, we do not have exclusive rights over the brand name "Senco" and there are other entities engaged in competing businesses which may have the right to utilise the brand name "Senco". Any adverse publicity for such brands or entities may be mistaken as being associated with our Company and may require us to spend substantial time, effort and resources to establish our

distinctiveness. For details of our ongoing intellectual property rights dispute, see “Risk Factors-We have not registered certain trademarks used by us for our business and our inability to obtain or maintain these registrations may adversely affect our competitive business position. Our inability to protect or use our intellectual property rights may adversely affect our business” on page 71. In addition, if the customer believes that we do not provide satisfactory products, even if based on isolated incidents, it may damage our reputation, diminish the value of our brand, undermine the trust and credibility we have established and have a negative impact on our ability to attract new customers or retain our current customers. Due to the nature of our business, any adverse publicity, regardless of whether such adverse publicity is valid, or we are actually at fault, may deteriorate our reputation and market perception of our brands which may have an adverse effect on our sales, profitability and the implementation of our growth strategy.

As we expand into new geographic markets within India, and as the market becomes increasingly competitive, maintaining and enhancing our brand image may become increasingly difficult and expensive. In addition, novelty of our brand in these new geographic markets may diminish over time.

If we fail to maintain our reputation, enhance our brand recognition or increase positive awareness of our products, it may be difficult to maintain and grow our consumer base, which could have a material adverse effect on our financial condition, results of operations, business and growth prospects.

**20. We obtain gold on loan basis, primarily from bullion banks which remains subject to RBI regulations. Any adverse change in the regulations governing gold on loan basis may adversely affect our financial condition and results of operations. Further, any inability of one or more of the major bullion banks to loan gold may require us to purchase gold at higher rates thereby adversely affecting our financial conditions.**

We source gold for our operations under the gold-metal loans through bullion 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. As on November 30, 2024, our Company, on a consolidated basis, has a total working capital sanction limit amounting to ₹ 31,290.00 million, which includes: (i) consortium sanctioned limit aggregating to ₹ 9,000.00 million which includes cash credit/working capital demand loan facilities amounting to ₹ 7,700.00 million having interchangeability of ₹ 2,510.00 million as gold metal loan (earmark cash credit) and gold metal loan limit of ₹ 1,300.00 million having interchangeability of ₹ 760.00 million as cash credit/working capital demand loan; (ii) working capital facility sanctioned outside consortium as cash credit/ working capital demand loan amounting to ₹ 7,280.00million having interchangeability of ₹ 3,130.00 million as gold metal loan (earmark cash credit) and gold metal loan limit of ₹ 1,450.00 million having interchangeability of ₹ 240.00 million as cash credit/working capital demand loan and (iii) working capital facility outside consortium as gold metal loan limit amounting to ₹ 13,210.00 million. We benefit from significantly lower effective interest rates by procuring gold through gold metal loans as compared to the interest rates payable if we procure gold by outright purchase using fund-based loans. Gold on loan basis is always subject to such conditions as are imposed by RBI.

Further, we source a majority of our gold on loan basis from bullion banks. Details of our sourcing of gold is as follows:

| Source                                 | Purpose                  | Fiscal                                  | Quantity Purchased (Kg) | Percentage |
|----------------------------------------|--------------------------|-----------------------------------------|-------------------------|------------|
| Bullion banks through gold metal loans | Manufacture of jewellery | For the period ended September 30, 2024 | 1,575.00                | 46.27%     |
|                                        |                          | Fiscal 2024                             | 3,659.39                | 50.36%     |
|                                        |                          | Fiscal 2023                             | 3,222.31                | 49.41      |
|                                        |                          | Fiscal 2022                             | 2,864.30                | 45.38      |
|                                        |                          |                                         |                         |            |
| Bullion dealers                        |                          | For the period ended September 30, 2024 | 55.57                   | 1.63%      |
|                                        |                          | Fiscal 2024                             | 151.00                  | 2.08%      |
|                                        |                          | Fiscal 2023                             | 93.10                   | 1.43%      |
|                                        |                          | Fiscal 2022                             | 1,058.33                | 16.77%     |
|                                        |                          |                                         |                         |            |

| Source                                                                                                                    | Purpose             | Fiscal                                  | Quantity Purchased (Kg) | Percentage |
|---------------------------------------------------------------------------------------------------------------------------|---------------------|-----------------------------------------|-------------------------|------------|
| Acquired under exchange programme                                                                                         |                     | For the period ended September 30, 2024 | 1,024.75                | 30.10%     |
|                                                                                                                           |                     | Fiscal 2024                             | 2,079.29                | 28.61%     |
|                                                                                                                           |                     | Fiscal 2023                             | 1,767.01                | 27.09%     |
|                                                                                                                           |                     | Fiscal 2022                             | 1,385.79                | 21.96%     |
|                                                                                                                           |                     |                                         |                         |            |
| Trading Jewellery                                                                                                         | Finishing & Trading | For the period ended September 30, 2024 | 748.67                  | 22.00%     |
|                                                                                                                           |                     | Fiscal 2024                             | 1,377.27                | 18.95%     |
|                                                                                                                           |                     | Fiscal 2023                             | 1,439.15                | 22.07%     |
|                                                                                                                           |                     | Fiscal 2022                             | 1,002.92                | 15.89%     |
|                                                                                                                           |                     |                                         |                         |            |
| Total of Bullion banks through gold metal loans, Bullion dealers, acquired under exchange programme and trading Jewellery |                     | For the period ended September 30, 2024 | 3,403.99                | 100.00     |
|                                                                                                                           |                     | Fiscal 2024                             | 7,266.94                | 100.00     |
|                                                                                                                           |                     | Fiscal 2023                             | 6,521.57                | 100.00     |
|                                                                                                                           |                     | Fiscal 2022                             | 6,311.34                | 100.00     |

In the event that any of the bullion banks from whom we source gold are unable to loan us gold in appropriate quantities, we may be required to source gold on spot basis or at higher rates from bullion dealers or may not be able to source necessary raw materials in a timely manner or at all. This in turn would adversely impact our financial condition and results of operation.

In the event of any adverse regulatory development or if we are otherwise not able to avail such gold loans, we may not be able to benefit from such low interest rates. We cannot assure you that we will always be able to enjoy these benefits. In the event there is any adverse change in these regulations, we may not be able to enjoy the extended usance 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.

**21. Our ability to access capital depends on our credit ratings. Non availability of credit ratings or a poor rating may restrict our access to capital and thereby adversely affect our business and results of operations.**

The cost and availability of capital, among other factors, depend on our credit ratings. Our fund based working capital facilities have been assigned a rating of “ICRA A” with a stable outlook for long term facilities and a rating of “ICRA A2+” for short term facilities and our fixed deposit program has been assigned a rating of “ICRA A” with a stable outlook by ICRA Limited. Our credit ratings reflect, amongst other things, the rating agency's opinion of our financial strength, operating performance, strategic position, and ability to meet our obligations. Our inability to obtain such credit ratings in a timely manner or any non-availability of credit ratings, or poor ratings, or any downgrade in our ratings may increase borrowing costs and constrain our access to capital and lending markets and, as a result, could adversely affect our business and results of operations. In addition, non-availability of credit ratings could increase the possibility of additional terms and conditions being added to any new or replacement financing arrangements.

**22. We have experienced negative cash flows from operating and investing activities in previous fiscals and cannot assure you that we will not experience negative cash flows in future periods. Negative cash flows may adversely affect our financial condition, results of operations and prospects.**

The following table sets forth certain information relating to our cash flows for the fiscals indicated therein, as per the Audited Consolidated Financial Information:

(₹ in million)

| Particulars                                                           | Fiscal 2024 | Fiscal 2023 | Fiscal 2022 |
|-----------------------------------------------------------------------|-------------|-------------|-------------|
| Operating profit before working capital changes and other adjustments | 3,849.88    | 3,301.63    | 2,822.75    |
| Cash used in from operating activities                                | (2,230.67)  | (169.29)    | (299.90)    |
| Income taxes paid (net of refunds)                                    | (707.64)    | (591.74)    | (399.40)    |
| Net cash used in from operating activities                            | (2,938.31)  | (761.03)    | (699.30)    |
| Net cash used in from investing activities                            | (1,184.76)  | (1,980.30)  | (1,582.27)  |
| Net cash generated from financing activities                          | 4,213.40    | 2,740.72    | 2,291.88    |
| Net increase/ (decrease) in cash and cash equivalents                 | 90.33       | (0.61)      | 10.31       |
| Cash and cash equivalents at the beginning of the year                | 94.83       | 95.44       | 85.13       |
| Cash and cash equivalents at the end of the year                      | 185.16      | 94.83       | 95.44       |

Historically, negative cash flows occur on account of presentation disclosure prepared in accordance with the Indian Accounting Statements (IND AS). We may, in the future, experience negative cash flows as well. 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. This situation may have an adverse effect on our cash flows, business, future financial performance and results of operations.

For more information, see “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” on page 118 of this Preliminary Placement Document.

**23. *Inability to appropriate the advances received from customers under jewellery purchase schemes***

We currently operate jewellery purchase schemes with monthly installments payment systems ranging from six months to 11 months. The advances received from customers under these schemes are treated as deposits within the meaning of such term under the Companies Act. However, there can be no assurance that we will be able to appropriate the advances received from customers under the jewellery purchase schemes, on account of regulatory requirements. Any such failure to appropriate advances and deposits received from our customers may cause us to receive reduced cash flows or dedicate a higher portion of our revenues towards provisions towards such deposits, which in turn may adversely impact our revenues and results of operations and future profitability.

**24. *We have entered into transactions with related parties. These or any future related party transactions may potentially involve conflict of interest and there can be no assurance that we could not have achieved better terms, had such arrangements been entered into with unrelated parties.***

We have entered into various transactions with related parties, including for lease of certain properties on which we operate our Company Operated Showrooms and remuneration of our Directors and our Key Managerial Personnel. For further details regarding the related party transactions entered into by us in the last three years, please see our “*Financial Information*” on page 316. While we believe that all such transactions have been conducted on an arm’s length basis and contain commercially reasonable terms, we cannot assure you that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. Furthermore, it is likely that we may enter into related party transactions in the future. Although all material related party transactions that we may enter into, will be subject to board or shareholder approval, as necessary under the Companies Act 2013 and the SEBI Listing Regulations, there can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations or that we could not have achieved more favourable terms if such transactions had not been entered into with related parties. Such related party transactions may potentially involve conflict of interest. See “*Financial Information*” on page 316.

We cannot assure you that such transactions, individually or in the aggregate, will always be in the best interests of our minority shareholders and will not have an adverse effect on our business, results of operations, financial condition and cash flows.

**25. *Some of our corporate records and statutory filings are lost or not traceable in relation to certain disclosures made in this Preliminary Placement Document.***

Certain corporate records and regulatory filings made by us, including those in relation to form filings made with the Registrar of Companies, for historical issuances and allotments of Equity Shares of our Company are not traceable. Details of the form filings and records that our not available are: (i) Form 2, minutes or

supporting documents in respect of allotment of 5,198 Equity Shares on August 1, 1996, allotment of 200 Equity Shares on March 25, 1997, allotment of 3,602 Equity Shares on September 22, 1997 and allotment of equity shares made from incorporation till 2005; and (ii) minutes of meetings of the Board and Shareholders from incorporation till 2001.

We have not been able to retrieve the aforementioned documents, and accordingly, have relied on other documents, including our annual reports and audited financial statements for such matters. We cannot assure you that such corporate records will be available in the future. We cannot assure you that we will not be subject to any penalty imposed by the competent regulatory authority in this respect or that we will not incur additional expenses arising from our inability to furnish correct particulars in respect of the RoC filings or other corporate records, or for misrepresentation of facts which may occur due to non-availability of documents.

**26. *We may face risks associated with implementation of regulatory oversight on the purchase and sale of gold through digital media, that is a regulatory risk which in turn may subject us to regulatory action, penalties and negative publicity.***

We have introduced DiGi Gold, a digital platform to enable customers to buy, redeem and sell gold through our website, <https://mydigigold.com>. Customers can purchase a minimum quantity of 50 milligrams of gold or gold equivalent of certain value. The purchased gold is 24 carat of 99.5% purity. The customer does not receive physical delivery of the purchased gold, instead an equivalent amount of purchased gold is deposited with a third party secured vault. The third party vault service provider is required to provide daily statements of gold received and stored in its vaults and such deposits may be inspected during business hours by our Company officials including for taking inventory. The purchased gold may be subsequently sold on through the platform or redeemed at any of our Showrooms against purchase of products. The gold purchased by customers is treated as sale to our customers, though the purchased gold is stored with a third party vault service provider. Upon redemption by the customer, transactions are recorded as purchase by our Company of the gold purchased by the customer and subsequent purchase of gold jewellery by the customer from our Company in terms of applicable accounting standards. As on date, the online sale of gold through DiGi Gold platform are not specifically regulated or governed by SEBI, RBI or other financial regulators and are primarily subject to the laws and regulations applicable to the sale of a product in India such as Consumer Protection Act and other cyber laws, and any change in regulations pertaining to the same may affect our business adversely. Further, any systems failure or security breach or lapse that results in the release of user data could harm our reputation and brand and, consequently, our business, in addition to exposing us to potential legal liability. We have encountered user data leakage incidents in the past. Any failure, or perceived failure, by us to comply with our posted privacy policies or with any regulatory requirements or privacy protection-related laws, rules and regulations could result in proceedings or actions against us by governmental entities or others. These proceedings or actions may subject us to significant penalties and negative publicity, require us to change our business practices, increase our costs and severely disrupt our business.

Further, we are required to comply with certain Anti Money Laundering (“AML”) requirements. These requirements include the establishment of a client identification program, the monitoring and reporting of suspicious transactions, monitoring and reporting of cash transactions above a specified value, the preservation of client information and transaction records, and the provision of assistance in investigations and proceedings in relation to AML matters. As we increase our business through the digital platform, any failure by us in connection with the digital payment and other online services provided by us to comply with applicable AML requirements, could lead to significant penalties and damages to our reputation. These laws and regulations require us to establish sound internal control policies and procedures with respect to AML monitoring and reporting obligations. The policies and procedures we have adopted may not be effectively implemented in protecting our services from being exploited for money laundering activities. If we fail to comply with AML requirements, we will be subject to fines, enforcement actions, regulatory sanctions, additional compliance requirements, increased regulatory scrutiny of our business, or other penalties levied by regulators, and damages to our reputation, all of which may adversely affect our business operations, and results of operations.

**27. *Any failure or disruption or change of our information technology systems may adversely impact our business and operations.***

We rely on our IT systems to provide us with connectivity across our business functions through our software, hardware and network systems. Our inventory for both our Company Operated Showrooms and our

Franchisee Showrooms is bar-coded and monitored and controlled through our ERP. Any failure in our IT systems or loss of connectivity or any loss of data arising from such failure could disrupt our ability to track, record and analyse work in progress, process financial information, manage creditors/debtors or engage in normal business activities, which could have a material adverse effect on our operations. Further, we individually tag each item that is sold, which enables us to track, record and analyse sales of our products to consumers. For details, see “*Our Business - Information Technology*” on page 234. Further, we have had an independent third party conduct a systems audit of our IT systems in order to test the robustness of our IT systems. While no systemic failures were noted, there are certain advancements and systemics interventions certain observations and recommendations have been made for further strengthening of our IT systems, which our Company had been implemented. Recently, to strengthen our appeal to Generation Alpha, we have focused on digitizing our operations and expanding our digital presence through initiatives like Sencoverse, Digi Gold and other platforms. As a result, we remain vulnerable to cyberattacks and data breaches caused by external illegal activities or cybercrime. This could impact our operations, customer trust, and potentially affect our financial stability and future prospects. There can be no assurance that we will be able to implement the recommendations in a timely manner or at all. Any such delay or disruption, or a failure to effectively and timely implement the technology initiatives, could have a material adverse effect on our business, financial condition and results of operations. Further, any failure, disruption or manipulation of our tagging system could disrupt our ability to track, record and analyse sales of our products and manage inventory levels in our showrooms, which could have a material adverse effect on our business.

We are subject to domestic and international laws relating to the collection, use, retention, security and transfer of personally identifiable information with respect to our consumers and employees. In many cases, these laws not only apply to third-party transactions, but also may restrict transfers of personally identifiable information among us and our international subsidiaries. Further, several jurisdictions have passed laws in this area, and other jurisdictions are considering imposing additional restrictions. These laws continue to develop and may vary from jurisdiction to jurisdiction. Complying with emerging and changing international requirements may cause us to incur costs or require us to change our business practices.

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, and we have implemented the MFA Enabled Multifactor Authentication, Mobile Device Management, Mobile Application Management, Data Loss Prevention, etc., pursuant to PPD we cannot assure you that we can successfully block and prevent all hacking or other breaches. For instance, we had detected a suspected incident of ransomware on January 20, 2022, and accordingly, the incident was reported to cyber cell of Kolkata Police. Although, no data loss or data compromise was reported, any such incident in the future or a breach or failure of our security systems could result in compromise of our IT systems. As a result, failure to protect against technological disruptions of our operations could materially and adversely affect our business, financial condition and results of operations. We also maintain significant amounts of customer data that we collect in order to promote our brand and direct targeted advertisements to potential customers. Any breach of our IT systems or misuse by employees could result in the loss or disclosure of confidential information, damage to our reputation, litigation or other liabilities.

**28. *Our insurance policies may not adequately cover us against certain risks and hazards, which may have an adverse effect on our business.***

Our insurance policies currently includes (i) a jeweller's block policy; (ii) a fire and other perils policy; (iii) vehicle insurance policy; (iv) marine policy; (v) directors and officer's liability insurance policy; (vi) public offering of securities liability insurance and (vii) cyber liability insurance. For further information, see “*Our Business – Insurance*” on page 235. Notwithstanding the insurance coverage that we carry, we may not be fully insured against some business risks. There are many events that could significantly impact our operations, or expose us to third-party liabilities, for which we may not be adequately insured. There can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part, or at all. To the extent that we suffer any loss or damage that is not covered by insurance or exceeds our insurance coverage, our business, financial condition and results of operations could be adversely affected. Fire in a showroom and insurance claim under process.

**29. *We have a number of contingent liabilities, and our profitability could be adversely affected if any of these contingent liabilities crystallizes.***

Except as set out below, there were no claims against our Company not acknowledged as debt as on March 31, 2024:

| (in ₹ million)                                            |                      |
|-----------------------------------------------------------|----------------------|
| Particulars                                               | As at March 31, 2024 |
| <b>Claims against the Group not acknowledged as debts</b> |                      |
| - Income tax demands*                                     | 147.15               |
| - Central excise                                          | 124.16               |
| - Service tax                                             | 21.58                |
| -Goods and Service tax                                    | 5.40                 |
| <b>Total</b>                                              | <b>298.29</b>        |

\*Pursuant to a search and seizure operation under Section 132 of the Income-tax Act, 1961 (hereinafter in this note referred to as the 'IT Act') conducted by the Income-tax department in November 2017, notices under Section 153A and Section 142(1) of the IT Act were issued for the assessment years 2011-12 to 2017-18. Subsequently, the Deputy Commissioner of Income-tax has raised demands amounting to ₹ 74.56 million on our Company for the said assessment years. Our Company has filed appeal against the said orders. Further, the Deputy Director of Income-tax (Investigation), Unit - 2(1), Kolkata, has filed a criminal complaint against our Company and some of the Key Management Personnel under section 277A of the IT Act. Based on the facts of the matter and an independent assessment done by our Company, the management remains fairly confident of a favourable outcome and therefore, does not foresee any material financial liability devolving on our Company in this respect of the aforementioned demand/ litigation and accordingly, no provision has been made in the Audited Consolidated Financial Information.

For further details on our contingent liabilities, see “Financial Information” on page 316.

If any of these contingent liabilities materialises, our results of operations and financial condition may be adversely affected.

**30. Differing regulatory views on various jewellery purchase schemes initiated by us may have adverse implications on our Company and/or our Directors under applicable laws; and in particular, the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended.**

Swarna Yojana was a monthly instalment scheme initiated by us (“**Erstwhile SY Scheme**”) that was discontinued for fresh accounts from May 15, 2018. As a part of this scheme, a customer could pay a monthly advance of a minimum of ₹1,000, toward purchase of jewellery for either a six or 11 month period. Although the Erstwhile SY Scheme has been discontinued, there are certain amounts paid by customers under the Erstwhile SY Scheme which were held in escrow by our Company on account of non-traceability of customers. Our Company has subsequently closed the escrow account and as and when the customers of the Erstwhile SY Scheme approach our Company, we refund their respective due amounts. Our Company currently operates three jewellery purchase schemes, namely, Swarna Labh, Swarna Yojana and Marigold fixed and flexi scheme (“**Current Schemes**”).

As a part of the Current Schemes, (i) the customer can pay a monthly instalment of a minimum of ₹ 1,000, toward purchase of jewellery for either six, 11 or 18 month period and (ii) the customer is provided with a special discount of 30% of the first month instalment for the six-month tenure scheme, 75% of the first month instalment for the eleven-month scheme and 150% of the first monthly instalment for the eighteen-month scheme to be adjusted from the value of the jewellery. Our Current Schemes are presently governed under the Companies Act and the Companies (Acceptance of Deposits) Rules, 2014 (“**Deposit Rules**”), regulated and governed by the Ministry of Corporate Affairs and the Registrar of Companies. Further, we are not required to obtain any approval from any regulator or authority in relation to our schemes, save and except for filing and approval of the Form DPT-1 from the Registrar of Companies pursuant to Section 73 (2)(a) and Section 76 of the Companies Act and Rule 4(1) and 4(2) of the Deposit Rules in relation to our Current Schemes. Further, there are certain unclaimed/ unredeemed amounts which have matured and are lying with our Company for more than 365 days under the Current Schemes and are not converted into sales on account of customers not collecting jewellery items on time. 20% of the amount maturing during the following financial year is transferred to a bank account (Deposit Repayment Reserve) towards the end of each financial year.

In this regard, our Company has settled customer deposits taken under Current Scheme amounting to ₹ 2,043.57 million for the year ended March 31, 2024, ₹451.00 million for the year ended March 31, 2023 and

₹ 403.74 million for the year ended March 31, 2022, which were lying outstanding for more than 365 days. Further, deposits received from customers under the jewellery purchase schemes amounting to ₹1,629.89 million, ₹ 1,919.38 million, ₹ 1,013.94 million and ₹ 1,937.09 million remained outstanding as at March 31, 2024, March 31, 2023, March 31, 2022 and for the six months period ended September 30, 2024, respectively. Further, the deposits received from customers under jewellery purchase schemes includes provision for discount accrued by our Company amounting to ₹65.97 million, ₹ 83.53 million, ₹ 28.28 million and ₹ 73.46 million for the Fiscal 2024, Fiscal 2023, Fiscal 2022 and for the six months period ended September 30, 2024, respectively as per the terms of the respective schemes against which advance has been received from these customers. Our Company has transferred the matured unclaimed/unredeemed and irregular (default in instalment) deposit to special current bank account opened with a scheduled bank and the balance lying on the said account is ₹ 229.80 million as on March 31, 2024. Apart from the above, our Company also has certain advances from its customers against their orders for purchase of jewelleryes and lying for more than 365 days with our Company and for which the customers have not claimed jewellery items in time. We settle the dues by refunding the amount or selling the jewelleryes in terms of the request of the customers as and when they approach us.

Our jewellery purchase schemes have been rated as ICRA A (stable) to the extent of ₹ 4,750.00 million by ICRA Limited and our bank facilities are rated by ICRA Limited as ICRA A (stable) indicating low credit risk, to the extent of ₹ 18,000 million.

While, we have not faced any regulatory action / proceedings in relation to such schemes in the past, we cannot assure you that we will not face any regulatory action in this regard in the future. Any adverse regulatory or legislative view in respect of the Erstwhile SY Scheme or Current Schemes or our inability to appropriate the advances received from customers under Current Schemes may result in proceedings or actions being undertaken against our Company, and its Directors and/or other officers in default for breach of Sections 73 to 76 of the Companies Act and the Deposit Rules. Any such adverse regulatory views and consequential actions, including any actions to ensure compliance with Sections 73 to 76 of the Companies Act, that our Company may be required to undertake may be time consuming and may adversely impact our profitability, results of operations and future prospects.

**31. *We have opened a new store in United Arab Emirates which would lead to potential challenges and uncertainties.***

We recently expanded our business operations into Dubai, United Arab Emirates, as part of our growth strategy. While this presents an opportunity to enter a high-demand market for gold and jewellery, there are significant risks associated with expanding into a new geographic region. Operating in United Arab Emirates may expose our Company to various challenges, including but not limited to regulatory and compliance risks, market entry list, currency and economic risk and operational and supply risks.

We are actively taking steps to mitigate these risks, including conducting comprehensive market research, establishing local partnerships, and building a dedicated compliance team for our Dubai operations. However, the success of our expansion into Dubai remains subject to the successful navigation of these uncertainties, and any unforeseen challenges may adversely impact our financial results and strategic objectives.

**32. *The nonavailability or high cost of quality gold and diamonds may have an adverse effect on our business, results of operations, financial condition and prospects.***

Timely procurement of materials such as gold, diamonds and precious and semi-precious metals and stones, as well as the quality and the price at which they are procured, play an important role in the successful operation of our business. Gold used in our manufacturing operations, is primarily sourced from nominated banks and agencies in India. We may also require specific quality raw materials including precious stones for a particular jewellery design. Accordingly, our business is significantly affected by the availability, cost and quality of raw materials. The prices and availability of these and other materials depend on factors beyond our control, including general economic conditions, competition, production levels and regulatory factors such as import duties. Currently, the RBI allows only certain banks in India to import precious metals such as gold and we are subject to the rates of interest charged by banks. Our gold loan arrangements are typically limited by the amount of gold that we can procure under the agreement, and we may not be able to renew these agreements, on favourable terms, or at all. We cannot assure you that we will be able to procure quality raw materials at competitive prices or at all. There is always an inherent risk of deviation in weight, quality,

purity, caratage of the diamond despite the best due diligence and processes deployed by us, including the hallmarking process.

We employ various strategies to hedge our gold inventory to protect us from price fluctuations, including the use of unfixed gold metal loans, forward contracts and options, but there can be no assurance that our hedging strategy will adequately protect our results of operations from the effects of fluctuations in the prices of gold either in the short-term or long-term. In addition, if for any reason, our primary suppliers of raw materials should curtail or discontinue their delivery of such raw materials to us, in the quantities we need and at prices and terms that are competitive, our ability to meet our material requirements for our operations could be impaired, our delivery schedules could be disrupted and our business and reputation may be adversely affected. Further, any rise in gold prices may cause customers to delay their purchases, thereby adversely affecting our business, operations and financial condition.

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

Additionally, we are required by our lenders to confirm that diamonds procured by us are non-conflict based diamonds and we in turn require our vendors to confirm that the diamonds provided to us are compliant with the Kimberley certification as conflict free. In the event that we are supplied by any conflict diamonds by our vendors, we would not be able to verify the source of such diamonds or may be required to undertake additional expenditure to ensure compliance with the requirements of our lenders. We may not be able to replace our existing vendors for diamonds in such situations in a timely manner or at all, which in turn may adversely impact our supply of raw material and our production of jewellery and revenues and future prospects.

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

As of September 30, 2024, we had total inventories consisting of raw materials, stock in trade and finished goods amounting to ₹ 28,943.92 million. Our inventory turnover for the Fiscal 2024, Fiscal 2023, Fiscal 2022 and for the six month period ended September 30, 2024, was 2.41, 2.49, 2.91 and 1.09 (not annualised), respectively. Our results of operations are dependent on our ability to effectively manage our inventory. To effectively manage our inventory, we must be able to accurately estimate customer demand and supply situation and manufacture/ purchase additional inventory accordingly. If we misjudge expected customer demand it could adversely impact the results by causing either a shortage of inventory in showrooms leading to loss of revenue and profits or an accumulation of excess inventory. Further, if we fail to sell the inventory we manufacture or purchase, we may be required to recycle our inventory, which would lead to loss of material, additional manufacturing costs and subsequently, an adverse impact on our revenue, profit and cash flows. The price of gold fluctuates on the basis of demand and supply. If the price of gold decreases in future, we may not be able to recover the cost of material which could affect our profitability.

For export operations, normally we manufacture jewellery based on orders received from customers, which reduces our required working capital investment in inventory. However, we may experience cancellation of export orders which may result in accumulation of excess inventory. In such situation, we will need to offer jewellery to other customers at a mutually agreed price. In the event we fail to sell such jewellery, we will be compelled to recycle the jewellery. Any adverse change in the value of gold, silver and diamonds would reduce the value of our inventory, which could have a material adverse effect on our profitability and results of operations. A significant change in the export orders, could have a material adverse effect on our net sales, cash flows and liquidity. Additionally, we may face a credit risk from our customers in connection with our export obligations.

**34. *We, as well as our Directors and Promoters are involved in certain legal and regulatory proceedings that, if decided unfavourably, may adversely affect our business, results of operations and financial condition.***

There are certain outstanding legal proceedings involving our Company, our Promoters and our Directors. These proceedings are pending at different levels of adjudication before various courts, tribunals, quasi-judicial authorities and appellate tribunals. For details of certain material legal proceedings against our Company, our Subsidiaries, our Promoters and our Directors, see “*Legal Proceedings*” on page 301.

The amounts claimed in these legal proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and severally. Further, our expenses towards legal and professional expenses, *inter alia* includes amounts paid in defending litigations was ₹ 193.22 million, ₹ 52.51 million, ₹ 57.26 million and ₹ 52.61 million for the financial years ended March 31, 2024, March 31, 2023, March 31, 2022, and for the period ended September 30, 2024, respectively. If any new developments arise, such as a change in the applicable laws or rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements that could increase our expenses and current liabilities.

We cannot assure you that these legal proceedings will be decided in favour of our Company, our Promoters or our Directors, as the case may be, or that no further liability will arise out of these proceedings. Further, such legal proceedings could divert management time and attention and consume financial resources. Any adverse outcome in any of these proceedings may adversely affect our profitability and reputation and may have an adverse effect on our results of operations and financial condition.

**35. *Our financing agreements contain covenants that limit our flexibility in operating our business. Our inability to meet our obligations, including financial and other covenants under our debt financing arrangements could adversely affect our business, credit rating, results of operations and financial condition.***

As on November 30, 2024, our Company, on a consolidated basis, has a total working capital sanction limit amounting to ₹ 31,290.00 million, which includes: (i) consortium sanctioned limit aggregating to ₹ 9,000.00 million which includes cash credit/ working capital demand loan facilities amounting to ₹ 7,700.00 million having interchangeability of ₹ 2,510.00 million as gold metal loan (earmark cash credit) and gold metal loan limit of ₹ 1,300.00 million having interchangeability of ₹ 760.00 million as cash credit/working capital demand loan; (ii) working capital facility sanctioned outside consortium as cash credit/ working capital demand loan amounting to ₹ 7,280 million having interchangeability of ₹ 3,130.00 million as gold metal loan (earmark cash credit) and gold metal loan limit of ₹ 1,450.00 million having interchangeability of ₹ 240.00 million as cash credit/working capital demand loan and (iii) working capital facility outside consortium as gold metal loan limit amounting to ₹ 13,210.00 million.

Further, our current to non-current borrowing ratio (computed by dividing current borrowings by non current borrowings) for the Fiscals 2024, 2023, 2022 and for the period ended September 30, 2024 was 1,420.57, 824.51, 2,183.73 and 1,879.46, respectively. Additionally, our debt to equity ratio for the Fiscals 2024, 2023, 2022 and for the period ended September 30, 2024 was 1.10, 1.25, 1.19 and 1.13, respectively. Our ability to meet our debt service obligations and repay our outstanding borrowings will depend primarily on the cash generated by our business.

Most of our financing arrangements are secured by our movable and immovable assets and personal guarantees by our Individual Promoter i.e., Suvankar Sen and a member of our promoter group, namely Joita Sen. Our financing agreements typically include various conditions and covenants that require us to obtain lender consents prior to carrying out certain activities and entering into certain transactions and also covenants which require, *inter alia*, our Promoters to maintain a minimum threshold of shareholding and management control in our Company.

The financing agreements governing such facilities include conditions and restrictive covenants that require us to obtain consents, no-objections or waivers from lenders prior to carrying out specified activities or entering into certain transactions, including, among other things, incurring additional debt, prepaying existing debt, declaring dividends or incurring capital expenditures beyond prescribed thresholds, amending our constitutional documents, changing our capital structure, shareholding pattern or management, and selling, transferring, leasing or disposing our encumbered assets.

Further, our arrangements with some of our lenders require us, in the event of a default in repayment or prepayment, to convert the whole or part of the outstanding amount into fully paid-up Equity Shares.

Our financing agreements also typically contain certain financial covenants including the requirement to maintain, among others, specified debt-to-equity ratios. These covenants vary depending on the requirements

of the financial institution extending the loan and the conditions negotiated under each financing document. Such covenants may restrict or delay certain actions or initiatives that we may propose to take from time to time. We cannot assure you that we have complied with all such covenants in a timely manner or at all or that we will be able to comply with all such covenants in the future or that we shall be able to obtain waiver for such non-compliance. Further, while, there have been no defaults or rescheduling/re-structuring of borrowings with financial institutions / banks in respect of our current borrowings from lender, however, in response to the COVID-19 pandemic, the RBI allowed banks and lending institutions to offer moratoriums to their customers to defer payments under loan agreements until August 31, 2020.

A failure to observe the covenants under our financing arrangements or to obtain necessary consents required thereunder may lead to the termination of our credit facilities, levy of penal interest, acceleration of all amounts due under such facilities and the enforcement of any security provided. Any acceleration of amounts due under such facilities may also trigger cross default provisions under our other financing agreements. If the obligations under any of our financing agreements are accelerated, we may have to dedicate a substantial portion of our cash flow from operations to make payments under such financing documents, thereby reducing the availability of cash for our working capital requirements and other general corporate purposes. Further, during any period in which we are in default, we may be unable to raise, or face difficulties raising, further financing and it may adversely affect our brand, negatively affecting our revenue from operations and shall push the rates of financing higher. In addition, third parties may have concerns over our financial position and it may be difficult to market our financial products. Any of these circumstances could adversely affect our business, credit rating, results of operations and financial condition. Moreover, any such action initiated by our lenders could result in the price of the Equity Shares being adversely affected.

Our ability to finance our capital expenditures is also subject to a number of risks, contingencies and other factors, some of which are beyond our control, including borrowing or lending restrictions under applicable laws and the terms of our financial and other arrangements, our own profitability and liquidity, the licensing and taxation regime within which we operate, and general economic and market conditions. Any inability to obtain sufficient financing, or any significant unanticipated expenses or cost escalations, could result in the delay or abandonment of our business and expansion plans. As a result, if adequate capital is not available to us in a timely manner and on commercially viable terms, this could have an adverse effect on our business, financial condition, results of operations and prospects.

**36. *Our individual Promoter and a member of our Promoter Group, who are also our Directors have extended personal guarantees for certain of our borrowings, which if called upon, could adversely impact their holding in our Company.***

Our individual Promoter, Suvankar Sen and Joita Sen, a member of our Promoter Group, who are also our Directors, have extended personal guarantees for certain borrowings availed by us. The total amount of borrowings secured by way of personal guarantees of our individual Promoter and member of our Promoter Group is ₹ 31,290.00 million as of September 30, 2024. In addition, the respective guarantors are also responsible for any overdue interest or penalty on our borrowings. In the event we are unable to repay our borrowings in a timely manner or service our debt, these personal guarantees may be called upon by our lenders, which in turn may strain the finances of our Promoter and member of Promoter Group, including leading to a dilution of their holdings in our Company to fund such guarantees. Any such event may cause a significant drop in their holdings in our Company, including a loss of control of our Company and we may no longer continue to benefit from the experience and guidance of our individual Promoter or the Promoter Group.

Further, our Company has not given any guarantee to any bank or financial institution towards loans or bank guarantee facilities availed by our Group Companies or our Promoters.

**37. *Our integrated operations and the diversity of the Indian jewellery market expose us to certain risks. If we are unable to effectively manage our operations or pursue our growth strategy, our business, financial condition, results of operations and prospects may be adversely affected.***

The Indian retail jewellery market is diverse and both customer preferences and seasonal purchases vary across different geographies within the country. As on September 30, 2024, we had 167 Showrooms, including 100 Company Operated Showrooms, and 67 Franchisee Showrooms located across 108 cities and towns over 16 states across India and 1 international showroom in Dubai, United Arab Emirates. As we expand our network of showrooms, we will be exposed to various challenges, including those relating to identification of potential markets, different cultures and customer preferences, regulatory regimes, business

practices and customs. We may require significant financial resources for setting up our new Company Operated Showrooms, including capital expenditure, inventory and hiring of additional employees for our new Company Operated Showrooms. We may be required to obtain loans to finance such expansion and we may not be successful in obtaining such funds in a timely manner and/or on favourable terms including rate of interest, primary security cover, collateral security, terms of repayment, or at all. 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 demands on our managerial, operational and financial resources, and our expanded operations will require further training and management of our current employees and the training and induction of new employees. In addition, as we enter new markets, we face competition from regional or national players, who may have an established local presence, and may be more familiar with local customers' design preferences, business practices and customs. Additionally, we may face a credit risk from our customers in connection with our export obligations; and from our franchisees in connection with inventory sold to them, either outright or on credit terms at times of high demand.

Our business generates or processes customer data, and the improper use or disclosure of such data could subject us to significant reputational, financial, legal and operational consequences, and deter current and potential consumers from using our services. In particular, we face a number of challenges relating to data from transactions and other activities on our platform, including protecting the data in and hosted on our system, including against attacks on our system by outside parties or fraudulent behaviour by our employees, addressing concerns related to privacy and sharing, safety, security and other factors and complying with applicable laws, rules and regulations relating to the collection, use, disclosure or security of personal information, including any requests from regulatory and government authorities relating to such data.

Our Revenue CAGR (calculated as growth of revenue from operations from FY22 to FY24) increased at a CAGR of 21.77% from Fiscal 2022 to Fiscal 2024 while our profit for the year has increased at a CAGR of 18.41% from Fiscal 2022 to Fiscal 2024. Our historic growth rates or results of operations are not representative or reliable indicators of our future performance. While we intend to continue to expand our operations in India, we may not be able to sustain historic growth levels, and may not be able to leverage our experience in our existing markets in order to grow our business in new markets.

*(CAGR has been calculated basis the following: Compounded Annual Growth Rate (as a %); (end year amount/ base year amount <sup>1/ number of gross years between base year and end year</sup>) – 1)*

An inability to effectively manage our expanded operations or pursue our growth strategy may lead to operational and financial inefficiencies, which may result in a material adverse effect on our business, prospects, financial condition and results of operations.

**38. If we are unable to open new Company Operated Showrooms as per our business plan, it could have a material adverse impact on our business and growth prospects.**

As on September 30, 2024, we had 100 Company Operated Showrooms, and 67 Franchisee Showrooms located across 108 cities and towns over 16 states across India and 1 international showroom in Dubai, United Arab Emirates. Our success in achieving future growth is dependent upon our ability to set up our new Company Operated Showrooms and hiring staff for these showrooms. Since April 1, 2022 till September 30, 2024, we have opened 30 Company Operated Showrooms and 10 Franchisee Showrooms, while during the past three financial years we have closed or relocated two Company Operated Showrooms and six Franchisee Showrooms. As the success of any retail business is significantly dependent upon identifying the best possible locations for showrooms at a competitive cost, we have a team that looks after our geographical expansion taking in to lease for the purposes of opening new Company Operated Showrooms. We must compete with other retailers to lock in locations for new Company Operated Showrooms. We cannot assure you that we will be able to expand and grow at the rate at which we plan to, as we may not be able to find suitable properties for new Company Operated Showrooms at prices that are viable for our business or at all. If we are not able to lease the locations at the time, place and cost that we desire, the same may have a material adverse impact on our business and growth prospects.

Further, as we expand our network of Company Operated Showrooms and Franchisee Showrooms, we will be exposed to various challenges. We may be required to obtain loans to finance future expansion and the resultant increase in working capital requirements for new Showrooms; and there can be no assurance that such loans will be available to us on commercially acceptable terms, or at all. 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 demands on our managerial, operational and financial resources, and our expanded operations will require further training and management of our employees and the training and induction of new employees. In addition, as we enter new markets, we face competition from both organized and unorganized national and international players, who may have an established local presence, and may be more familiar with local customers' design preferences, business practices and customs

While we intend to continue to expand our operations across India, as we expand our showroom network, we will be exposed to various challenges, including those relating to identification of potential markets, different cultures and customer preferences, regulatory regimes and business practices. We generate substantial revenues from our operations in West Bengal and Eastern India and there can be no assurance that our expansion in to other markets will allow to us realise similar growth or margins. The number of Showrooms in India by region and their contribution to our revenues was as follows:

| Region              | As on and for the six months<br>September 30, 2024 |                  |                                                      | Fiscal 2024      |                      |                                                         | Fiscal 2023      |                  |                                                         | Fiscal 2022      |                      |                                                            |
|---------------------|----------------------------------------------------|------------------|------------------------------------------------------|------------------|----------------------|---------------------------------------------------------|------------------|------------------|---------------------------------------------------------|------------------|----------------------|------------------------------------------------------------|
|                     | (Unaudited)                                        |                  |                                                      | (Audited)        |                      |                                                         | (Audited)        |                  |                                                         | (Audited)        |                      |                                                            |
|                     | Revenue                                            | Sho<br>wro<br>om | % of<br>revenu<br>e from<br>operati<br>ons (in<br>%) | Revenue          | Sh<br>ow<br>ro<br>om | % of<br>reven<br>ue<br>from<br>operati<br>ons (in<br>%) | Revenue          | Sho<br>wro<br>om | % of<br>reven<br>ue<br>from<br>operati<br>ons<br>(in %) | Revenue          | Sh<br>ow<br>ro<br>om | % of<br>reven<br>ue<br>from<br>operati<br>ons<br>(in<br>%) |
| West Bengal         | 19,577.27                                          | 98               | 67.52                                                | 35,403.80        | 93                   | 67.28                                                   | 28,475.96        | 85               | 69.50                                                   | 25,699.34        | 80                   | 72.38                                                      |
| East & North East** | 3,748.13                                           | 29               | 12.93                                                | 6,933.21         | 28                   | 13.18                                                   | 4,938.55         | 22               | 12.05                                                   | 4,440.72         | 19                   | 12.51                                                      |
| Rest of India       | 4,330.55                                           | 39               | 14.93                                                | 7,820.11         | 38                   | 14.86                                                   | 6,185.51         | 29               | 15.10                                                   | 4,452.51         | 28                   | 12.54                                                      |
| Others*             | 1,340.16                                           | NA               | 4.62                                                 | 2,460.87         | NA                   | 4.68                                                    | 1,374.91         | NA               | 3.36                                                    | 912.43           | NA                   | 2.57                                                       |
| <b>Total</b>        | <b>28,996.11</b>                                   | <b>166</b>       | <b>100</b>                                           | <b>52,617.99</b> | <b>159</b>           | <b>100</b>                                              | <b>40,974.93</b> | <b>136</b>       | <b>100.00</b>                                           | <b>35,505.00</b> | <b>127</b>           | <b>100.00</b>                                              |

\* Others constitutes exports, corporate, DiGi Gold, DG Silver and e-commerce sales.

\*\*excluding West Bengal

We may not be able to sustain growth levels, and may not be able to leverage our experience in our existing markets in order to grow our business in new markets. An inability to effectively manage our expanded operations or pursue our growth strategy may lead to operational and financial inefficiencies, which could have a material adverse effect on our business prospects, financial condition and results of operations.

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

We intend to utilise the Net Proceeds of the Offer as set forth in the section entitled “Use of Proceeds” on page 102. The funding requirements mentioned for the use of the proceeds from the Issue are based on internal management estimates in view of past expenditure and have not been appraised by any bank or financial institution. They are based on current conditions and is subject to change in light of changes in external circumstances, costs, other financial conditions or business strategies.

The exact amounts that will be utilised from the Net Proceeds towards the stated objects will depend upon our business plans, market conditions, our Board's analysis of economic trends and business requirements, competitive landscape, as well as general factors affecting our results of operations, financial condition and

access to capital. Our internal management estimates may exceed fair market value or the value that would have been determined by third party appraisals, which 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. For further details, please see the section entitled “Use of Proceeds” on page 102

Various risks and uncertainties, including those set forth in this section, may limit or delay our efforts to use the Net Proceeds to achieve profitable growth in our business. We may also use funds for future businesses which may have risks significantly different from what we currently face or may expect. 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.

Further, pending utilization of Net Proceeds, our Company will have 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, 1934, in a manner as may be approved by our Board. Accordingly, prospective investors in the Offer will need to rely upon our management’s judgment with respect to the use of Net Proceeds.

**40. *Jewellery purchases are discretionary and often perceived as luxury purchases. Any factor negatively impacting discretionary spending by consumers may adversely affect our business, results of operations, financial condition and prospects.***

Jewellery purchases are dependent on consumers’ discretionary spending power and disposable income. Various factors affect discretionary consumer spending, including economic conditions, perceptions of such conditions by consumers, economic outlook, employment, the level of consumers’ disposable income, the savings ratio, business conditions, inflation levels, interest rates, consumer debt and asset values, availability of credit and levels of taxation, among others. These factors remain out of control of the company and pose a systemic risk.

Moreover, we believe that while historically, gold jewellery has been purchased as an investment asset by consumers, there is a changing trend in consumers to invest such funds in other asset classes, which may adversely affect our business, financial condition and results of operations. Additionally, the prices of gold and diamonds at a particular time also affect the decision of our customers to purchase jewellery.

Most of our customers are individuals who purchase jewellery for personal use and who are generally less financially resilient than corporate entities. Additionally, gold and diamond jewellery are not perceived to be a necessity, which may result in a significant fall in demand in the case of adverse economic conditions as opposed to demand for those goods that are perceived as a necessity. Such conditions include levels of employment, inflation or deflation, real disposable income, interest rates, taxation, currency exchange rates, stock market performance, the availability of consumer credit, levels of consumer debt, consumer confidence, consumer perception of economic conditions and consumer willingness to spend, all of which are beyond our control. An economic downturn or an otherwise uncertain economic outlook in our principal markets, in any other markets in which we may operate in the future, or on a global scale could adversely affect our consumer spending habits and traffic, which could have a material adverse effect on our business, results of operations and financial condition.

**41. *The activities of our franchisees could have a material adverse effect on our goodwill and the “Senco Gold and Diamonds” brand and also expose us to risks associated with reliance on third parties. This poses idiosyncratic risks and has operational and reputational repercussions.***

The “Senco Gold and Diamonds” brand is integral to our corporate identity. We rely on the general goodwill of consumers towards the “Senco Gold and Diamonds” brand. Therefore, the reputation and integrity of the parties with whom we engage in business activities, in particular our franchisee partners, are important to our own reputation. Consequently, adverse publicity in relation to our “Senco Gold and Diamonds” brand due to the activities or conduct of our Franchisee Showrooms may have a material adverse effect on our reputation. While we endeavour, through contractual protections and restrictive covenants, to ensure that such parties comply with high standards of probity and integrity, such as through proper implementation of our compliance and monitoring systems, we cannot assure you that such parties will always maintain these high standards, which could negatively impact our business, prospects, financial condition and results of operations. For instance, We cannot assure you that we will not face such disputes in the future.

During the years ended March 31, 2024, March 31, 2023, March 31, 2022 and as at September 30, 2024, we generated revenue of ₹ 33,678.16 million, ₹ 26,695.02 million, ₹ 21,997.10 million and ₹ 17,793.33 million

respectively, from our Company Operated Showrooms and a revenue of ₹ 16,478.96 million, ₹ 12,904.99 million, ₹ 12,595.47 million and ₹ 9,862.61 million, respectively, from our Franchisee Showrooms. The revenue generated from our Company Operated Showrooms in the years ended March 31, 2024, March 31, 2023, March 31, 2022 and six months period ended on September 30, 2024 accounted for 64.01%, 65.15%, 61.95% and 61.36% respectively, of our revenue from operations (without including franchisee fees and discount allowed), respectively and revenue generated from our Franchisee Showrooms in the years ended March 31, 2024, March 31, 2023, March 31, 2022 and for the six months period ended September 30, 2024 accounted for 31.32%, 31.49%, 35.48% and 34.01%, respectively of our revenue from operations (without including franchisee fees and discount allowed).

**42. Any labour disputes, strikes or work stoppages may lead to lost production and/or increased costs, which may adversely affect our business, results of operations and financial condition.**

As of September 30, 2024 we had 2,688 full time employees. Out of our employees, 2,105 are based at our showrooms driving retail sales and customer operations, 479 are based in our head office while 104 are based at our factory. Additionally, we have 970 security personnel, other contractual personnel and housekeeping staff whom we appoint on contractual basis. India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal, and legislation that imposes certain financial obligations on employers upon retrenchment. Our employees are not unionized. However, in the event that employees seek to unionize, it may become difficult for us to maintain flexible labour policies, which may increase our costs and adversely affect our business. Furthermore, the contract manufacturers with whom we work to manufacture our jewellery could seek to organize. A potential increase in the salary scale of our employees or amounts paid to our contract manufacturers as a result of organisation or unrest, or a disruption in services from our employees or contract manufacturers due to potential strikes, could adversely affect our business operations and financial condition. Although we have not had strikes or work stoppages by our employees in the past, any strikes or work stoppages by our employees could have a material adverse effect on our business, financial condition and results of operations.

There can be no assurance that there will not be such strikes in the future. Such long periods of business disruption could also result in a loss of customers, which would adversely affect our business, financial condition and results of operations. Further, if such strikes are held during periods in which we have higher sales, such as 'Dhanteras', 'Akshay Tritiya', 'Ganesh Chaturthi', 'Teej', 'Bihu' and 'Durga Puja', our sales would be materially and adversely affected.

**43. Certain sections of this Preliminary Placement Document disclose information from the industry report which has been commissioned and paid for by us exclusively in connection with the Issue and any reliance on such information for making an investment decision in the Issue is subject to inherent risks.**

Certain sections of this Preliminary Placement Document include information based on, or derived from the the industry report titled "Industry Research Report on Indian Gems and Jewellery" ("**CARE Report**") dated December 2024, which has been prepared by Care Analytics and Advisory Private Limited ("**CARE**") CARE was appointed by our Company and the CARE Report has been exclusively commissioned and paid for by us for the purposes of confirming our understanding of the industry and has been prepared in connection with the Issue. Given the scope and extent of the CARE Report, disclosures are limited to certain excerpts and the CARE Report has not been reproduced in its entirety in this Preliminary Placement Document. There are no parts, data or information (which may be relevant for the proposed issue), that has been left out or changed in any manner. However, the CARE Report is prepared based on information as of specific dates and may no longer be current or reflect current trends. Certain information in the CARE Report is subject to limitations and is also based on estimates, projections, forecasts and assumptions. Investors should not place undue reliance on, or base their investment decision solely on this information.

You should consult your own advisors and undertake an independent assessment of information in this Preliminary Placement Document based on, or derived from, the Industry Report before making any investment decision regarding the Issue. For further details, see "*Industry Overview*" on page 153.

**44. Our manufacturing facility and most of our Company Operated Showrooms are located on premises leased to us by third parties. If we are unable to renew our existing leases or secure new leases on commercially acceptable terms, or if we fail to comply with the terms and conditions of our leases, resulting in termination of our leases, our business, financial condition and results of operations may be**

***adversely affected. Further, in the event the land on which our manufacturing units and our Company Operated Showrooms are situated are subject to irregularities in title, our operations may be impaired.***

Our existing manufacturing facility and most of our Company Operated Showrooms are located on leased properties. We typically enter into lease agreements for a period ranging from four years to twenty five years for our Company Operated Showrooms and our manufacturing facility and are renewable on mutually acceptable terms and upon payment of such rent escalations as stated in lease agreements. In the event that existing leases are terminated or they are not renewed on commercially acceptable terms, we may suffer a disruption in our business and operations. If alternative premises are not available at the same or similar costs, size or locations, our business, financial condition and results of operations may be adversely affected. In addition, any adverse development relating to the landlord's title or ownership rights to such properties may entail incurring significant legal expenses and adversely affect our operations. Our existing leases for our manufacturing facility and Company Operated Showrooms typically contain interest penalty for any delays in payment of rent and fixed rent escalation clauses that provide for a periodic increase in rent. Further, our Company has not registered certain lease and/ or leave and license agreements in respect of certain properties used by our Company. In some instance, these properties were received from the merged companies and therefore, the agreements are not registered in the name of our Company. If our sales do not increase in line with our rent and costs, our profitability and results of operations could be adversely affected.

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

Further, there is no central land registry in India and title to land can be disputed, including on account of local land records not being duly updated, or not being maintained in a legible manner, or only being available in the local vernacular languages, as well as on account of alleged short payment of stamp duty or registration fees (which may render our title documents inadmissible in evidence, unless stamped prior to enforcement with payment of requisite penalties and the lack of approvals from appropriate authorities). Consequently, should any dispute arise in relation to our use of the relevant properties, we may be unable to, or may incur additional expenses to, enforce our rights in relation to such properties. Any inability to protect rights to the land on which our facilities are located could have an adverse effect on our business, financial condition, results of operations and prospects.

- 45. *Past sales in our Company Operated Showrooms may not be comparable to and indicative of future sales from our Company Operated Showrooms and there can be no assurance that the opening of proposed new Company Operated Showrooms will result in increased profitability.***

Various factors affect the sales in our Company Operated Showrooms including the gold rates, customer preferences, location of a showroom and competition. These factors will have an influence on existing and future showrooms and thus past sales figures may not be indicative of future sales figures. Upon the opening of a new Company Operated Showroom, there may be an initial period of market adjustment while the showroom forms a customer base and engages in initial advertising and marketing campaigns. During this period, the sales revenue may not exceed the overall expenses of the showroom. This could lead to a decrease in the overall profitability of our Company.

In addition, even after this initial period, there can be no assurance that a new showroom will necessarily contribute to the overall profitability of our Company. For instance, in the past we have closed one of our Company Operated Showroom in Bengaluru, Karnataka and relocated another Company Operated Showrooms within the city because of inadequate customer footfall at these Company Operated Showrooms.

- 46. *Potential legal proceedings in relation to the land we acquire or any adverse development relating to the landlord's title or ownership rights of the parcels of land and other matters related thereto, including the non-registration of the land in the name of our Company, from where we manage and operate our Company Operated Showrooms could affect our Company's business, results of operations and financial condition.***

In relation to the space that we acquire or lease for setting up our new Company Operated Showrooms, we face uncertainty of title. Potential legal proceedings and their outcome in relation to the parcels of land from where we manage and operate our Company Operated Showrooms, and other matters related thereto, including the non-registration of the land in the name of our Company, could affect our Company's business, results of operations and financial condition. In the event that leases for properties acquired by us to set up our new Company Operated Showrooms are terminated, or they are not renewed on commercially acceptable terms, we may suffer a disruption in our operations. If alternative premises are not available at the same or similar costs, size or locations, our business, financial condition and results of operations may be adversely affected. In addition, any adverse development relating to the landlord's title or ownership rights to such properties may entail incurring significant legal expenses and adversely affect our operations

**47. *Our Company has prepared financial statements under Ind AS. Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, IFRS and U.S. GAAP.***

Our financial statements, including the financial statements provided in this Preliminary Placement Document, are prepared in accordance with Ind AS. We have not attempted to quantify the impact of IFRS and U.S. GAAP or any other system of accounting principles on the financial data included in this Preliminary Placement Document, nor do we provide a reconciliation of our financial statements to those of IFRS, U.S. GAAP or any other accounting principles. IFRS and U.S. GAAP differ in significant respects from Ind AS. Accordingly, the degree to which the Ind AS financial statements included in this Preliminary Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with Ind AS. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Preliminary Placement Document should accordingly be limited.

While we have built robust information technology, governance frameworks and operational management systems to manage our business operations and to support our future growth at both the showroom and corporate level, the increasing business complexity of our operations may place additional requirements on our systems, controls, procedures and management and, as a result, may strain our ability to manage our future growth. Many of our control systems are dependent on third-party software and technology. Our third-party software may be subject to damage, software errors, computer viruses, security breaches and the delayed or failed implementation of new updates. Damage or interruption to our third-party and other control systems may require a significant investment to fix or replace them, and we may suffer interruptions in our operations as a result. Further, our Statutory Auditors, in their audit report for Fiscal 2024 have highlighted a remark with respect to instances of accounting software maintained by a third party where they were unable to comment on the audit trail feature. The Statutory Auditors have made a remark in note 53 of the standalone and consolidated financial statements for the year ended March 31, 2024, as follows: *"The accounting software used for maintenance of Books of Accounts of the Company is operated by a third-party software service provider. In the absence of any information on existence of audit trail (edit logs) for any direct changes made at the database level in the "Independent Service Auditor's Assurance Report on the description of controls, their design and operating effectiveness" (Type 2 report issued in accordance with ISAE 3000, assurance engagements other than audits or reviews of historical financial information), we are unable to comment on whether audit trail feature with respect to the database was enabled and operated throughout the year."*

**48. *Natural calamities, climate change and health epidemics and pandemics could adversely affect the Indian economy and our business, financial condition, and results of operations.***

India has experienced natural calamities, such as earthquakes and floods and pandemics such as COVID 19 in recent years. The COVID 19 pandemic had created significant challenges for businesses worldwide, including the temporary closure of our showrooms. Due to lockdown and travel restrictions, we had to close our locations in India for about three months in early 2020 and waves of COVID 19, leading to more restrictions that could continue in the future.

Operational disruptions may occur if staff fall ill or face travel limitations, which could lead to reduced productivity and labour shortages. Supply chain might also make it harder to meet demand and increase costs, particularly for materials like gold.

In addition, the COVID-19 pandemic had caused a worldwide health crisis and economic downturn. Any future outbreak of health epidemics may restrict the level of business activity in affected areas, which may, in turn, adversely affect our business.

We take a double materiality approach to assess and mitigate environmental, social, and governance (ESG) risks, both those caused by our Company and those that may affect our Company. In Fiscal 2024, we published our Business Responsibility and Sustainability Report (BRSR) and established an ESG committee to specifically address related metrics. However, we remain vulnerable to climate risks. For example, Cyclone Dana forced the closure of our Bhadrak store on October 25, 2024. Additionally, we may be broadly impacted by ESG risks, including systemic, operational, and supply chain disruptions.

These risks could arise from inadequate safety training for employees, non-compliance with industry standards, or failure to meet emission reduction targets, all of which could directly affect our production processes. Moreover, as we import raw materials, we are responsible for ensuring compliance with global standards, including relevant policies, laws, and operational requirements.

- 49. *We are subject to data protection laws and any changes in regulations pertaining to collection, storage and usage of personal data of customers could require us to invest significant resources which in turn may adversely impact our results of operations and profitability.***

We are subject to domestic and international laws relating to the collection, use, retention, security and transfer of personally identifiable information with respect to our consumers and employees. In many cases, these laws not only apply to third-party transactions, but also may restrict transfers of personally identifiable information among us and our international subsidiaries. Further, several jurisdictions have passed laws in this area, and other jurisdictions are considering imposing additional restrictions.

These laws continue to develop and may vary from jurisdiction to jurisdiction. Complying with emerging and changing international requirements may cause us to incur costs or require us to change our business practices. Changes in regulations pertaining to collection, storage and usage of personal data of customers could require us to invest significant resources which in turn may adversely impact our results of operations and profitability.

- 50. *Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance have been included in this Preliminary Placement Document. These non-GAAP financial measures are not measures of operating performance or liquidity defined by Ind AS and may not be comparable.***

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance such as Interest Coverage Ratio, Debt to Equity, Return on Equity, Return on Capital Employed, Revenue CAGR and Inventory Turnover Ratio (together, “**Non-GAAP Measures**”) have been included in this Preliminary Placement Document. 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.

These Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS 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. In addition, these 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.

These non-GAAP financial measures and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and 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.

#### **External risk factors**

- 51. *Changing laws, rules and regulations in India could lead to new compliance requirements that are uncertain.***

Our business, financial performance, cash flow and results of operations could be adversely affected by

unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations applicable to us and our business. Our business, cash flows, financial condition, results of operations and prospects may be adversely impacted, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. The regulatory and policy environment in which we operate are evolving and are subject to change. The GoI may implement new laws or other regulations and policies that could affect our business in general, which could lead to new compliance requirements, including requiring us to obtain approvals and licenses from the Government and other regulatory bodies, or impose onerous requirements.

Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations, cash flows, financial condition and prospects.

For instance, the Supreme Court of India has in a decision clarified the components of basic wages which need to be considered by companies while making provident fund payments, which resulted in an increase in the provident fund payments to be made by companies. Any such decisions in future or any further changes in interpretation of laws may have an impact on our financial conditions, cash flows and results of operations.

## **52. *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 of America, Europe and certain emerging economies in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Due to the interconnectedness in a liberal market economy, the effects of economic instability extend beyond geographical boundaries. Financial disruptions may occur and could harm our business, our future financial performance and the prices of the Equity Shares.

The ongoing altercations in the middle-east and the Russia-Ukraine conflict, could result in increased volatility in, or damage to, the worldwide financial markets and economy besides causing physical disruption of goods and services to certain other countries. Any other global economic developments or the perception that any of them could occur may continue to have an adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition, cash flows and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares. Recession in the US has affected the market globally. In the event of economic fluctuations and dollar standardization it remains a volatile landscape to stride through for the company.

Additionally, geopolitical risks, including the ongoing conflicts such as the Israel-Iran tensions and the Russia-Ukraine war, have significant implications for global supply chains and warrant close attention. These conflicts can lead to disruptions in the availability of critical raw materials, energy supplies, and transportation routes, causing delays, cost increases, and uncertainty in production schedules. For instance, tensions in the Middle East can impact oil prices and regional stability. The interconnection of global markets means that these events can ripple across borders, affecting not only local economies but also the operations of multinational companies. As such, the materiality of geopolitical risks in our supply chain is undeniable, and it is essential to assess and mitigate their potential impact on our operations, costs, international trade and long-term business continuity.

As India navigates its diplomatic ties with both Western nations and countries in the Middle East and Russia, any shifts in foreign policy—whether in response to sanctions, trade agreements, or security concerns—may

lead to changes in the regulatory landscape, trade routes, and the availability of critical resources. Furthermore, India's evolving foreign policy may impact bilateral agreements and trade routes, which could disrupt access to critical markets or affect the cost and availability of goods. A deterioration in relations with key partners could result in logistical challenges, tariff increases, or stricter regulatory compliance requirements, all of which could directly hinder our ability to maintain smooth operations. Additionally, if geopolitical tensions lead to instability in regions where we are expanding or plan to expand, it could introduce new risks to our investment, supply chain security, and long-term business continuity. Given this interconnectedness, it is essential to continuously assess the potential impact of geopolitical risks on both our existing operations and any future growth initiatives.

**53. *We may be affected by competition laws, the adverse application or interpretation of which could affect our business.***

The Competition Act, 2002, of India, as amended ("**Competition Act**"), regulates practices having an appreciable adverse effect on competition in the relevant market in India ("**AAEC**"). Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an AAEC is considered void and may result in the imposition of substantial penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or the provision of services or shares the market or source of production or provision of services in any manner, including by way of allocation of geographical area or number of consumers in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an AAEC and is considered void. The Competition Act also prohibits abuse of a dominant position by any enterprise. If it is proved that the contravention committed by a company took place with the consent or connivance or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such company, that person shall be also guilty of the contravention and may be punished.

Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an AAEC in India. However, the impact of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. In the event we pursue an acquisition in the future, we may be affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, results of operations, cash flows and prospects. The manner in which the Competition Act and the CCI affect the business environment in India may also adversely affect our business, financial condition, cash flows and results of operations.

The Competition (Amendment) Act, 2023 ("**Competition Amendment Act**") was recently notified. The Competition Amendment Act amends the Competition Act and gives the CCI additional powers to prevent practices that harm competition and the interests of consumers. The Competition Amendment Act, *inter alia*, modifies the scope of certain factors used to determine AAEC, reduces the overall time limit for the assessment of combinations by the CCI from 210 days to 150 days and empowers the CCI to impose penalties based on the global turnover of entities, for anti-competitive agreements and abuse of dominant position.

**54. *The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.***

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. Terrorist attacks and other acts of violence or war may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares.

In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the

Equity Shares. Social and political risks, such as riots, election-related violence, and terror attacks, can significantly disrupt our day-to-day operations and pose challenges to our long-term expansion goals. These events can lead to temporary closures, damage to infrastructure, supply chain disruptions, and increased security concerns, impacting both operational efficiency and business continuity. Additionally, such instability can undermine investor confidence and create uncertainties in markets critical to our growth plans.

**55. *We are subject to regulatory, economic, social and political uncertainties and other factors beyond our control.***

We are incorporated in India and we conduct our corporate affairs and our business in India and outside India. Our business, operations, financial performance and the market price of our Equity Shares is affected by interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India.

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

- Financial, political or governmental issues in the jurisdiction where we operate;
- any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- any scarcity of credit or other financing in India, resulting in an adverse effect on economic conditions in India and scarcity of financing for our expansions;
- prevailing income conditions among Indian corporations;
- epidemic or any other public health issues in India or in countries in the region or globally, including in India's various neighbouring countries;
- macroeconomic factors and central bank regulation, including in relation to interest rates movements which may in turn adversely impact our access to capital and increase our borrowing costs;
- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- decline in India's foreign exchange reserves which may affect liquidity in the Indian economy; and
- difficulty in developing any necessary partnerships with local businesses on commercially acceptable terms and/or a timely basis.

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

**56. *If inflation were to rise in India, we might not be able to increase the prices of our services at a proportional rate in order to pass costs on to our clients and our profits might decline.***

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of salaries, and other expenses relevant to our business. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to pass on to our clients, whether entirely or in part, and the same may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or increase our rates to pass the increase in costs on to our clients. In such case, our business, results of operations, cash flows and financial condition may be adversely affected. There can be no assurance that Indian inflation levels will not worsen in the future.

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

Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. Any further adverse revisions to credit ratings for India and other jurisdictions we operate in by international rating agencies may lead to increase in interest rates on our borrowings. This could have an adverse effect on our ability to fund our growth on favourable terms and consequently adversely affect our business and financial performance and the price of the Equity Shares.

**58. *Significant differences exist between Ind AS and other accounting principles, such as U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition.***

Our Company prepares its annual financial statements in accordance with Ind AS, which differs in certain important aspects from U.S. GAAP, IFRS and other accounting principles with which prospective investors may be familiar in other countries. If our financial statements were to be prepared in accordance with such other accounting principles, our results of operations, financial condition and cash flows could be substantially different. Accordingly, the degree to which the financial statements prepared in accordance with Ind AS included in this Preliminary Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with Ind AS. Prospective investors should review the accounting policies applied in the preparation of the financial statements included in this Preliminary Placement Document and consult their own professional advisers for an understanding of the differences between these accounting policies and those with which they may be more familiar. Any reliance by persons not familiar with Ind AS on the financial information presented in this Preliminary Placement Document should accordingly be limited.

**59. *We are subject to pre-emptive surveillance measures like Additional Surveillance Measure (ASM) and Graded Surveillance Measures (GSM) by the Stock Exchanges in order to enhance market integrity and safeguard the interest of investors.***

SEBI and Stock Exchanges in order to enhance market integrity and safeguard interest of investors, have been introducing various enhanced pre-emptive surveillance measures. The main objective of these measures is to alert and advice investors to be extra cautious while dealing in these securities and advice market participants to carry out necessary due diligence while dealing in these securities.

Accordingly, SEBI and Stock Exchanges have provided for (a) GSM on securities where such trading price of such securities does not commensurate with financial health and fundamentals such as earnings, book value, fixed assets, net-worth, price per equity multiple and market capitalization; and (b) ASM on securities with surveillance concerns based on objective parameters such as price and volume variation and volatility.

We are subjected to general market conditions which includes significant price and volume fluctuations. The price of our Equity Shares may also fluctuate after the Issue due to several factors such as volatility in the Indian and global securities market, our profitability and performance, performance of our competitors, changes in the estimates of our performance or any other political or economic factor.

The occurrence of any of the abovementioned factors trigger the parameters identified by SEBI and the Stock Exchanges for placing securities under the GSM or ASM framework such as net worth and net fixed assets of securities, high low variation in securities, client concentration and close to close price variation.

Since our Equity Shares are covered under such pre-emptive surveillance measures implemented by SEBI and the Stock Exchanges, we are subject to certain additional restrictions in relation to trading of our Equity Shares such as limiting trading frequency (for example, trading either allowed once in a week or a month) or freezing of price on upper side of trading and these restrictions may continue post listing of the Equity Shares, pursuant to the Issue. These restrictions may have an adverse effect on the market price of our Equity Shares or may in general cause disruptions in the development of an active market for and trading of our Equity Shares.

***Risks in Relation to the Equity Shares and the Issue***

**60. *We cannot guarantee that the Equity Shares issued pursuant to the Issue will be listed on the Stock Exchanges in a timely manner, or at all.***

In accordance with Indian law and practice, after our Board or a duly constituted committee passes the resolution to allot the Equity Shares but prior to crediting such Equity Shares into the Depository Participant accounts of the QIBs, we are required to apply to the Stock Exchanges for listing and trading approvals. After receiving the listing and trading approvals from the Stock Exchanges, our Company shall credit the Equity Shares into the Depository Participant accounts of the respective QIBs and apply for the final listing and trading approvals from the Stock Exchanges. Approval for listing and trading will require all relevant documents authorising the issuing of Equity Shares to be submitted. There could be a failure or delay in obtaining these approvals from the Stock Exchanges, which in turn could delay the listing of the Equity Shares on the Stock Exchanges. Any failure or delay in obtaining these approvals would restrict an investor's ability to dispose of their Equity Shares

Bidders can start trading the Equity Shares allotted to them in the Issue only after they have been credited to an investor's demat account, are listed and are permitted to trade. Since the Equity Shares are currently traded on the Stock Exchanges, investors will be subject to market risk from the date they pay for the Equity Shares to the date when trading approval is granted for the same.

Further, we cannot assure you that the Equity Shares allocated to an investor will be credited to the investor's demat account, that listing and trading approvals will be issued by the Stock Exchanges in a timely manner, or at all, or that trading in the Equity Shares will commence in a timely manner, or at all. In accordance with applicable Indian laws and regulations and the requirements of the Stock Exchanges, in principle and final approvals for the listing and trading of the Equity Shares to be issued pursuant to the Issue will not be applied for by us or granted by the Stock Exchanges until after such Equity Shares have been issued and allotted by us on the Closing Date. If there is a failure or a delay in obtaining such approvals, we may not be able to credit the Equity Shares allotted to you to your Depository Participant account or assure ownership of such Equity Shares by you in any manner promptly after the Closing Date or at all. In any such event, your ownership over the Equity Shares allotted to you and your ability to dispose of any such Equity Shares may be restricted. For further information on issue procedure, see "Issue Procedure" on page 261.

***61. Your ability to acquire and sell Equity Shares offered in the Issue is restricted by the distribution, solicitation and transfer restrictions set forth in this Preliminary Placement Document; you will be prohibited from selling any of the Equity Shares subscribed in this Issue other than on Stock Exchanges for a period of one year from the date of the allotment of the Equity Shares.***

No actions have been taken to permit an offering of the Equity Shares offered in the Issue in any jurisdiction, except for India. As such, your ability to acquire Equity Shares offered in the Issue is restricted by the distribution and solicitation restrictions set forth in "Selling Restrictions" on page 277.

Further, the Equity Shares offered in the Issue are subject to restrictions on transferability and resale. Pursuant to the SEBI ICDR Regulations, QIBs will be prohibited from selling any of the Equity Shares subscribed in this Issue other than on a recognised Indian stock exchange for a period of one year from the date of the allotment of the Equity Shares. For further information, see "Purchaser Representations and Transfer Restrictions" on page 285.

You are required to inform yourself on, and observe, these restrictions. Our Company and its representatives and agents will not be obligated to recognise any acquisition, transfer or resale of the Equity Shares offered in the Issue made other than in compliance with applicable law.

***62. Any future issuance of Equity Shares could dilute the holdings of investors and could adversely affect the market price of the Equity Shares.***

Our Company may be required to finance our future growth through additional equity offerings. Any future issuance of Equity Shares by our Company, including pursuant to the proposed Preferential Issue, could dilute investors' holdings and could adversely affect the market price of the Equity Shares. In addition, any future issuances of Equity Shares, sales by any significant shareholder or a perception in the market that such issuance or sale may occur, could adversely affect the trading price of the Equity Shares.

Such securities may also be issued at a price below the then current trading price of the Equity Shares. These sales could also impair our Company's ability to raise additional capital from the sale of Equity Shares. Our Company cannot assure you that it will not issue further Equity Shares or that the shareholders will not dispose of, pledge or otherwise encumber their Equity Shares.

***63. After this Issue, the price of the Equity Shares may be volatile, which could result in substantial losses for investors acquiring the Equity Shares in this Issue.***

The Issue Price will be determined by our Company, in consultation with the BRLMs, based on Bids received in compliance with Chapter VI of the SEBI ICDR Regulations, and it may not necessarily be indicative of the market price of the Equity Shares after this Issue is completed. The price at which the Equity Shares will trade at after the Issue will be determined by the marketplace and may be influenced by many factors, including:

- our results of operations, financial condition and cash flows;

- the history of and prospects for our business;
- an assessment of our management, our past and present operations and the prospects for, as well as timing of, our future revenues and cost structures;
- the valuation of publicly traded companies that are engaged in business activities similar to ours;
- quarterly variations in our results of operations;
- results of operations that vary from the expectations of securities analysts and investors;
- results of operations that vary from those of our competitors;
- changes in expectations as to our future financial condition, including financial estimates by research analysts and investors;
- a change in research analysts' recommendations;
- announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations or capital commitments;
- announcements of significant claims or proceedings against us;
- new laws and government regulations that directly or indirectly affect our business;
- changes in interest rates;
- fluctuations in stock market prices and volume; and
- general economic conditions.

The Indian stock markets have, from time to time, experienced significant price and volume fluctuations that have affected market prices for the securities of Indian companies. As a result, investors in the Equity Shares may experience a decrease in the value of the Equity Shares regardless of our results of operations, financial condition or cash flows.

**64. *Foreign investors are subject to certain investment restrictions under Indian law in relation to transfer of shareholding that may limit our ability to attract foreign investors, which may adversely impact the trading price of the Equity Shares.***

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain restrictions), if they comply with the requirements specified by RBI from time to time. If the transfer of shares is not in compliance with such requirements and does not fall under any of the exceptions, then prior approval of RBI is required.

Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income-tax authorities. Further, this conversion is subject to the shares having been held on a repatriation basis and is subject to either the security having been sold in compliance with the pricing guidelines or the relevant regulatory approval having been obtained for the sale of shares and corresponding remittance of the sale proceeds.

Additionally, the Indian government may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Indian government experiences extreme difficulty in stabilizing the balance of payments or where there are substantial disturbances in the financial and capital markets in India.

These restrictions may require foreign investors to obtain the Indian government's approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities. Our Company cannot assure you that any required approval from the RBI or any other governmental agency can be obtained with or without any particular terms or conditions, or at all.

**65. *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.

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

The Equity Shares are subject to a daily circuit breaker imposed on listed companies by the Stock Exchanges in India, which does not allow transactions beyond a certain level of volatility in the price of the Equity Shares. This circuit breaker operates independently of the index-based, market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges.

The percentage limit on our Company's circuit breaker applicable to the Equity Shares is set by the Stock Exchanges based on the historical volatility in the price and trading volume of the Equity Shares.

The Stock Exchanges may change the percentage limit of the circuit breaker from time to time without our Company's knowledge. This circuit breaker would effectively limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, we cannot assure you regarding the ability of Shareholders to sell the Equity Shares or the price at which Shareholders may be able to sell their Equity Shares which may be adversely affected at a particular point in time. For further details, see "*The Securities Market of India*" on page 288.

**67. *Fluctuations in the exchange rate between the Rupee and other currencies could have an adverse effect on the value of the Equity Shares in those currencies, independent of our operating results.***

The Equity Shares are quoted in Rupees on the Stock Exchanges. Any adverse movement in currency exchange rates during the time it takes to undertake such conversion may reduce the net dividends to investors. Fluctuations in the exchange rate between the foreign currencies with which an investor may have purchased Rupees may affect the value of the investment in the Equity Shares. Specifically, if there is a change in relative value of the Rupee to a foreign currency, each of the following values will also be affected:

- the foreign currency equivalent of the Rupee trading price of the Equity Shares in India;
- the foreign currency equivalent of the proceeds that you would receive upon the sale in India of any of the Equity Shares; and
- the foreign currency equivalent of cash dividends, if any, on the Equity Shares, which will be paid only in Rupees.

In addition, any adverse movement in currency exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares, may reduce the net proceeds received by investors.

The exchange rates between the Rupee and other currencies (including the U.S. dollar, the Euro, the Pound sterling, the Hong Kong dollar and the Singapore dollar) have changed substantially in the last two decades and could fluctuate substantially in the future, which may have an adverse effect on the value of the Equity Shares and returns from the Equity Shares in foreign currency terms, independent of our operating results.

You may be unable to convert Rupee proceeds into a foreign currency of your choice, or the rate at which any such conversion could occur could fluctuate. In addition, our Company's market valuation could be seriously harmed by a devaluation of the Rupee if investors in jurisdictions outside India analyse its value based on the relevant foreign currency equivalent of our Company's results of operations, financial condition and cash flows.

**68. *Investors may be subject to Indian taxes arising out of capital gains and stamp duty on the sale of the Equity Shares.***

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company is generally taxable in India. A securities transaction tax ("**STT**") is levied on equity shares sold on an Indian stock exchange. Any capital gain exceeding ₹125,000, realized on the sale of listed equity shares on a recognised stock exchange, held for more than 12 months may be subject to long-term

capital gains tax in India at the rate of 12.5% (plus applicable surcharge and cess). This beneficial provision is, inter alia, subject to payment of STT on both acquisition and sale of the equity shares. Further any capital gain realised on the sale of listed equity shares of an Indian company, held for more than 12 months, which are sold using any platform other than a recognized stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India at the rate of 12.5% (plus applicable surcharge and cess), without indexation benefits.

Further, any gain realized on the sale of our 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 at the rate of 20% (plus applicable surcharge and cess), subject to STT being paid at the time of sale of such shares. Otherwise, such gains will be taxed at the applicable rates. Capital gains arising from the sale of the Equity Shares will not be chargeable to tax in India in cases where relief from such taxation in India is provided under a treaty between India and the country of which the seller is resident read with the Multilateral Instrument, if and to the extent applicable, and the seller is entitled to avail benefits thereunder. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain realised upon the sale of the Equity Shares.

Any dividend distributed by a domestic company is subject to tax in the hands of the shareholders at the applicable rate. Further, our Company is required to withhold tax on such dividends distributed. Non-resident shareholders may claim benefit of the applicable tax treaty, subject to satisfaction of certain conditions. We 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.

Similarly, any business income realized from the transfer of Equity Shares held as trading assets is taxable at the applicable tax rates subject to any treaty relief, if applicable, to a non-resident seller.

Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning Equity Shares. We cannot predict whether any tax laws or other regulations impacting it or predict the nature and impact of any such laws or regulations or whether, if at all, any laws or regulations could have a material adverse effect on the trading price of our Equity Shares. Investors may be subject to Indian taxes arising out of income arising on the sale of and dividend on the Equity Shares.

**69. *Bidders are not allowed to withdraw their Bids or revise their Bids downwards after the Issue Closing Date.***

In terms of the SEBI ICDR Regulations, Bidders are not allowed to withdraw their Bids or revise their Bids downwards in terms of quantity of Equity Shares or the Application Amount after the Issue Closing Date. The Allotment of Equity Shares in this Issue and the credit of such Equity Shares to an Allottee's demat account with the depository participant could take approximately seven to ten Working Days from the Issue Closing Date.

However, we cannot assure that adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, adverse changes in our business, results of operation, financial condition and cash flows, or other events affecting the Bidder's decision to invest in the Equity Shares would not arise between the Issue Closing Date and the date of the Allotment of Equity Shares in the Issue.

The occurrence of any such events after the Issue Closing Date could also adversely impact the market price of the Equity Shares. Bidders shall not have the right to withdraw their Bids or revise their Bids downwards in the event of any such occurrence. Our Company may complete the Allotment of the Equity Shares even if such events may limit the Allottees' ability to sell the Equity Shares after the Issue or cause the trading price of the Equity Shares to decline.

**70. *Holders of Equity Shares may 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 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 a resolution.

If our Company offers to the Shareholders 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 the rights available to our Shareholders or in disposing of the rights for the benefit of our Company's Shareholders and making the net proceeds available to the Shareholders.

Our Company may choose not to offer the rights to Shareholders having an address outside India. Consequently, our Company cannot assure Shareholders that they will be able to maintain their proportional interests in the Equity Shares. Shareholders will be unable to exercise their pre-emptive rights if the law of the jurisdiction in which they are located prohibits the sale of the Equity Shares without first filing an offering document or registration statement, unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available to Shareholders by Indian law.

To the extent that Shareholders are unable to exercise the pre-emptive rights granted to them in respect to the Equity Shares, they may suffer future dilution of their ownership position and their proportional interests in our Company would be reduced.

## MARKET PRICE INFORMATION

As on the date of this Preliminary Placement Document, our Company's issued, subscribed and paid-up share capital comprises 77,722,448\*Equity Shares bearing face value of ₹ 10\*. The Equity Shares have been listed on the BSE and NSE since July 14, 2023. The Equity Shares are listed and traded on NSE under the symbol 'SENCO' and on BSE under the scrip code 543936.

*\*Our Board of Directors pursuant to their resolution dated October 4, 2024 and our Shareholders pursuant to a special resolution passed by way of a postal ballot on November 26, 2024, have approved the sub-division of each equity share of our Company of face value ₹ 10 each into 2 equity shares of face value of ₹ 5 each. However, as on the date of this PPD, we are yet to give effect to the sub-division including announcement of the record date for effecting the sub-division and completion of the corporate actions thereunder.*

On December 9, 2024, the closing price of the Equity Shares on BSE and NSE was ₹ 1,143.20 and ₹ 1,142.90, respectively per Equity Share. Since the Equity Shares are available for trading on the BSE and NSE, the market price and other information for each of BSE and NSE has been given separately.

- (i) The following tables set forth the reported high, low and average market prices and the trading volumes of the Equity Shares on the Stock Exchanges on the dates on which such high and low prices were recorded for Fiscals 2024, 2023 and 2022:

| BSE    |          |                   |                                                    |                                                                    |         |               |                                                   |                                                                   |                                |
|--------|----------|-------------------|----------------------------------------------------|--------------------------------------------------------------------|---------|---------------|---------------------------------------------------|-------------------------------------------------------------------|--------------------------------|
| Fiscal | High (₹) | Date of high      | Number of Equity Shares traded on the date of high | Total turnover of Equity Shares traded on date of high (₹ million) | Low (₹) | Date of low   | Number of Equity Shares traded on the date of low | Total turnover of Equity Shares traded on date of low (₹ million) | Average price for the year (₹) |
| 2024*  | 871.95   | February 27, 2024 | 220,388                                            | 183.31                                                             | 364.15  | July 20, 2023 | 60,283                                            | 22.47                                                             | 640.67                         |
| 2023*  | -        | -                 | -                                                  | -                                                                  | -       | -             | -                                                 | -                                                                 | -                              |
| 2022*  | -        | -                 | -                                                  | -                                                                  | -       | -             | -                                                 | -                                                                 | -                              |

(Source: www.bseindia.com)

*\*The Equity Shares of our Company were listed on the Stock Exchanges on July 14, 2023 and accordingly, the details in relation to the market price information are available from July 14, 2023.*

Notes:

1. High, low and average prices are based on the daily closing prices.
2. In the case of a year, average represents the average of the closing prices of all trading days of each year presented.
3. In case of two days with the same high or low price, the date with the higher volume has been chosen.

| NSE    |          |                   |                                                    |                                                                    |         |               |                                                   |                                                                   |                                |
|--------|----------|-------------------|----------------------------------------------------|--------------------------------------------------------------------|---------|---------------|---------------------------------------------------|-------------------------------------------------------------------|--------------------------------|
| Fiscal | High (₹) | Date of high      | Number of Equity Shares traded on the date of high | Total turnover of Equity Shares traded on date of high (₹ million) | Low (₹) | Date of low   | Number of Equity Shares traded on the date of low | Total turnover of Equity Shares traded on date of low (₹ million) | Average price for the year (₹) |
| 2024*  | 871.25   | February 27, 2024 | 2,262,855                                          | 1977.53                                                            | 364.15  | July 20, 2023 | 1,070,866                                         | 399.60                                                            | 640.73                         |
| 2023*  | -        | -                 | -                                                  | -                                                                  | -       | -             | -                                                 | -                                                                 | -                              |
| 2022*  | -        | -                 | -                                                  | -                                                                  | -       | -             | -                                                 | -                                                                 | -                              |

(Source: www.nseindia.com)

*\*The Equity Shares of our Company were listed on the Stock Exchanges on July 14, 2023 and accordingly, the details in relation to the market price information are available from July 14, 2023.*

Notes:

1. High, low and average prices are based on the daily closing prices.
2. In the case of a year, average represents the average of the closing prices of all trading days of each year presented.
3. In case of two days with the same high or low price, the date with the higher volume has been chosen.

- (ii) The following table sets forth the details of the number of Equity Shares traded on the Stock Exchanges and the turnover during Fiscals 2024, 2023 and 2022:

| Fiscal | Number of Equity Shares Traded |             | Turnover (in ₹ million) |          |
|--------|--------------------------------|-------------|-------------------------|----------|
|        | BSE                            | NSE         | BSE                     | NSE      |
| 2024*  | 9,552,877                      | 118,221,393 | 5613.33                 | 68215.50 |
| 2023*  | -                              | -           | -                       | -        |
| 2022*  | -                              | -           | -                       | -        |

(Source: www.bseindia.com and www.nseindia.com)

\*The Equity Shares of our Company were listed on the Stock Exchanges on July 14, 2023 and accordingly, the details in relation to the trading turnover are available from July 14, 2023

- (iii) The following tables set forth the reported high, low and average market prices and the trading volumes of the Equity Shares on the Stock Exchanges on the dates on which such high and low prices were recorded during each of the last six months:

| BSE             |          |                    |                                                |                                                                    |         |                   |                                               |                                                                   |                                 |                                   |                         |
|-----------------|----------|--------------------|------------------------------------------------|--------------------------------------------------------------------|---------|-------------------|-----------------------------------------------|-------------------------------------------------------------------|---------------------------------|-----------------------------------|-------------------------|
| Month           | High (₹) | Date of high       | Number of Equity Shares traded on date of high | Total turnover of Equity Shares traded on date of high (₹ million) | Low (₹) | Date of low       | Number of Equity Shares traded on date of low | Total turnover of Equity Shares traded on date of low (₹ million) | Average price for the month (₹) | Equity Shares traded in the month |                         |
|                 |          |                    |                                                |                                                                    |         |                   |                                               |                                                                   |                                 | Volume                            | Turnover (in ₹ million) |
| November, 2024  | 1230.70  | November 1, 2024   | 20,193                                         | 24.90                                                              | 1059.80 | November 13, 2024 | 63,919                                        | 68.43                                                             | 1137.57                         | 4,75,823                          | 537.94                  |
| October, 2024   | 1479.50  | October 1, 2024    | 40,126                                         | 59.85                                                              | 1145.05 | October 29, 2024  | 437,847                                       | 481.63                                                            | 1332.82                         | 1,333,775                         | 1707.65                 |
| September, 2024 | 1460.15  | September 27, 2024 | 75,644                                         | 110.71                                                             | 1157.25 | September 2, 2024 | 77,409                                        | 87.98                                                             | 1284.28                         | 2,687,071                         | 3420.62                 |
| August 2024     | 1123.05  | August 19, 2024    | 13,225                                         | 14.96                                                              | 982.75  | August 5, 2024    | 93,056                                        | 92.73                                                             | 1062.26                         | 753,650                           | 811.00                  |
| July 2024       | 1126.85  | July 1, 2024       | 24,731                                         | 27.98                                                              | 937.60  | July 25, 2024     | 41,609                                        | 39.92                                                             | 1001.67                         | 594,029                           | 599.75                  |
| June 2024       | 1148.70  | June 28, 2024      | 38,291                                         | 44.21                                                              | 848.60  | June 4, 2024      | 41,860                                        | 35.42                                                             | 991.90                          | 6,367,035                         | 6109.21                 |

(Source: www.bseindia.com)

Notes:

1. High, low and average prices are based on the daily closing prices.
2. In the case of a year, average represents the average of the closing prices of all trading days of each year presented.
3. In case of two days with the same high or low price, the date with the higher volume has been chosen.

| NSE            |          |                  |                                                |                                                                    |         |                   |                                               |                                                                   |                                 |                                   |                         |
|----------------|----------|------------------|------------------------------------------------|--------------------------------------------------------------------|---------|-------------------|-----------------------------------------------|-------------------------------------------------------------------|---------------------------------|-----------------------------------|-------------------------|
| Month          | High (₹) | Date of high     | Number of Equity Shares traded on date of high | Total turnover of Equity Shares traded on date of high (₹ million) | Low (₹) | Date of low       | Number of Equity Shares traded on date of low | Total turnover of Equity Shares traded on date of low (₹ million) | Average price for the month (₹) | Equity Shares traded in the month |                         |
|                |          |                  |                                                |                                                                    |         |                   |                                               |                                                                   |                                 | Volume                            | Turnover (in ₹ million) |
| November, 2024 | 1230.95  | November 1, 2024 | 95,257                                         | 117.50                                                             | 1058.70 | November 13, 2024 | 3,29,162                                      | 352.36                                                            | 1137.84                         | 52,54,332                         | 5961.04                 |
| October, 2024  | 1477.60  | October 1, 2024  | 650,833                                        | 970.93                                                             | 1145.65 | October 29, 2024  | 3,673,123                                     | 4075.04                                                           | 1332.53                         | 14,391,434                        | 18511.79                |

| NSE             |          |                    |                                                |                                                                   |         |                   |                                               |                                                                   |                                 |                                   |                         |
|-----------------|----------|--------------------|------------------------------------------------|-------------------------------------------------------------------|---------|-------------------|-----------------------------------------------|-------------------------------------------------------------------|---------------------------------|-----------------------------------|-------------------------|
| Month           | High (₹) | Date of high       | Number of Equity Shares traded on date of high | Total turnover of Equity Shares traded on date of high (₹million) | Low (₹) | Date of low       | Number of Equity Shares traded on date of low | Total turnover of Equity Shares traded on date of low (₹ million) | Average price for the month (₹) | Equity Shares traded in the month |                         |
|                 |          |                    |                                                |                                                                   |         |                   |                                               |                                                                   |                                 | Volume                            | Turnover (in ₹ million) |
| September, 2024 | 1464.30  | September 27, 2024 | 535,064                                        | 778.57                                                            | 1158.15 | September 2, 2024 | 858,915                                       | 971.48                                                            | 1285.61                         | 10,818,253                        | 13936.56                |
| August 2024     | 1119.35  | August 19, 2024    | 312,195                                        | 353.43                                                            | 984.50  | August 5, 2024    | 658,303                                       | 657.14                                                            | 1061.73                         | 7,570,736                         | 8145.74                 |
| July 2024       | 1126.70  | July 1, 2024       | 181,284                                        | 205.43                                                            | 937.80  | July 25, 2024     | 509,625                                       | 489.37                                                            | 1001.60                         | 6,992,552                         | 7009.93                 |
| June 2024       | 1147.65  | June 28, 2024      | 633,521                                        | 732.67                                                            | 851.85  | June 4, 2024      | 370,693                                       | 315.54                                                            | 991.79                          | 10,292,882                        | 10435.38                |

(Source: www.nseindia.com)

Notes:

1. High, low and average prices are based on the daily closing prices.
2. In the case of a year, average represents the average of the closing prices of all trading days of each year presented.
3. In case of two days with the same high or low price, the date with the higher turnover has been chosen.

(iv) The following table sets forth the market price on the Stock Exchanges on October 7, 2024, being the first working day following the approval of our Board for the Issue:

| BSE     |         |         |         |         |                         |
|---------|---------|---------|---------|---------|-------------------------|
| Open    | High    | Low     | Close   | Volume  | Turnover (in ₹ million) |
| 1432.55 | 1544.00 | 1337.00 | 1375.45 | 162,452 | 231.91                  |

(Source: www.bseindia.com)

| NSE     |         |         |         |           |                         |
|---------|---------|---------|---------|-----------|-------------------------|
| Open    | High    | Low     | Close   | Volume    | Turnover (in ₹ million) |
| 1429.70 | 1544.00 | 1336.40 | 1375.50 | 1,573,883 | 2260.82                 |

(Source: www.nseindia.com)

## USE OF PROCEEDS

The gross proceeds of the Issue aggregate up to ₹ [●] million. Subject to compliance with applicable laws, after deducting expenses of the Issue of approximately ₹ [●] million, the net proceeds from the Issue are ₹ [●] million (“**Net Proceeds**”).

### Objects of the Issue

Subject to compliance with applicable laws and regulations, our Company proposes to utilize the Net Proceeds for: (i) repayment / pre-payment, in full or in part, of certain outstanding borrowings availed by our Company; and (ii) general corporate purposes (collectively referred to as the “**Objects**”).

### Requirements of Funds

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

| Sr. No. | Particulars                                                                                           | Amount                   | Tentative timelines for utilisation of Net Proceeds |
|---------|-------------------------------------------------------------------------------------------------------|--------------------------|-----------------------------------------------------|
| 1.      | Repayment / Pre-payment, in full or in part, of certain outstanding borrowings availed by our Company | Up to ₹ 3,500.00 million | Fiscal 2025                                         |
| 2.      | General Corporate Purposes <sup>(1)</sup>                                                             | [●]                      | [●]                                                 |
|         | <b>Total Net Proceeds</b>                                                                             | [●]                      | -                                                   |

<sup>(1)</sup> The amount to be utilised for general corporate purposes alone shall not exceed 25% of the Gross Proceeds.

Our main objects clause and objects incidental or ancillary to the attainment of the main objects clause of our Memorandum of Association enables us to undertake the objects contemplated by us in this Issue and undertake our existing business activities for which the borrowings were availed by our Company, and which are proposed to be repaid or prepaid from the Net Proceeds.

Our fund requirements, deployment of funds and the intended use of the Net Proceeds as described herein are based on our current business plan, management estimates, other commercial and technical factors and other agreements entered into by our Company, which are subject to change in the future. We currently propose to deploy the Net Proceeds during Fiscal 2025. Such fund requirements and deployment of funds have not been appraised by any bank or financial institution. These are based on current market conditions and business needs, and are subject to revisions in light of changes in costs, our financial condition, business and strategy or external circumstances such as market conditions, competitive environment, interest or exchange rate fluctuations and finance charges, increasing regulations or changes in government policies, which may not be in our control. For details, see “*Risk Factors – 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 85.

Further, if the Net Proceeds are not utilised (in full or in part) for the Objects during the period stated above due to factors such as: (i) the timing of completion of the Issue; (ii) market conditions outside the control of our Company; and (iii) any other business and commercial considerations, the remaining Net Proceeds shall be utilised in subsequent periods as may be determined by our Company, in accordance with applicable laws. This may entail rescheduling and revising the planned expenditure and funding requirement and increasing or decreasing the expenditure for a particular purpose from the planned expenditure at the discretion of our management, subject to compliance with applicable law. Subject to applicable laws, in the event of any increase in the actual utilization of funds earmarked for the purposes set forth above, such additional funds for a particular activity will be met by way of means available to us, including from borrowings, internal accruals and any additional equity.

### Details of use of proceeds

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

We avail fund-based and non-fund-based facilities in the ordinary course of business from various banks and financial institutions. The borrowing arrangements entered into by us include, *inter alia*, term loans and working capital facilities. As on September 30, 2024, we had total outstanding borrowings (on a consolidated basis) of ₹ 16,153.15 million. We propose to utilise a portion of the Net Proceeds aggregating up to ₹ 3,500.00 million for repayment or prepayment, in full or in part, of certain outstanding borrowings availed by our Company.

Pursuant to the terms of the borrowing arrangements, prepayment of certain indebtedness may attract prepayment charges as prescribed by the respective lender. Such prepayment charges, as applicable, will be funded out of the Net Proceeds and our internal accruals. The repayment/prepayment, will help reduce our outstanding indebtedness and assist us in maintaining a favourable debt - equity ratio. In addition, we believe that since our debt - equity ratio will improve, it will enable us to raise further resources at competitive rates and additional funds/ capital in the future to fund potential business development opportunities and plans to grow and expand our business in the future and meet our working capital needs.

The details of the outstanding borrowing availed by our Company as on November 30, 2024, proposed for repayment or prepayment, in full or in part, from the Net Proceeds is set forth below:

| Sr. No | Name of the Lender  | Nature of Borrowing | Sanctioned amount as on November 30, 2024 (₹ in million) <sup>(2)</sup> | Amount outstanding as on November 30, 2024 (₹ in million) | Applicable rate of interest as on November 30, 2024 (%) | Remaining Tenor as on November 30, 2024 (number of days) | Purpose of the borrowing | Prepayment penalty /Condition | Whether the loan has been utilized for the purpose for which it has been availed* |
|--------|---------------------|---------------------|-------------------------------------------------------------------------|-----------------------------------------------------------|---------------------------------------------------------|----------------------------------------------------------|--------------------------|-------------------------------|-----------------------------------------------------------------------------------|
| 1.     | Kotak Mahindra Bank | WCDL                | 100.00                                                                  | 100.00                                                    | 8.95                                                    | 25                                                       | Working Capital          | No                            | Yes                                                                               |
| 2.     |                     |                     | 100.00                                                                  | 100.00                                                    |                                                         | 25                                                       |                          | No                            | Yes                                                                               |
| 3.     |                     |                     | 100.00                                                                  | 100.00                                                    |                                                         | 22                                                       |                          | No                            | Yes                                                                               |
| 4.     | Axis Bank           | WCDL                | 100.00                                                                  | 100.00                                                    | 9.20                                                    | 39                                                       | Working Capital          | No                            | Yes                                                                               |
| 5.     |                     |                     | 100.00                                                                  | 100.00                                                    |                                                         | 69                                                       |                          | No                            | Yes                                                                               |
| 6.     | Federal Bank        | WCDL                | 90.00                                                                   | 90.00                                                     | 9.60                                                    | 88                                                       | Working Capital          | No                            | Yes                                                                               |
| 7.     |                     |                     | 10.00                                                                   | 10.00                                                     |                                                         | 88                                                       |                          | No                            | Yes                                                                               |
| 8.     | IDFC Bank           | WCDL                | 60.00                                                                   | 60.00                                                     | 9.15                                                    | 25                                                       | Working Capital          | No                            | Yes                                                                               |
| 9.     |                     |                     | 50.00                                                                   | 50.00                                                     |                                                         | 34                                                       |                          | No                            | Yes                                                                               |
| 10.    |                     |                     | 50.00                                                                   | 50.00                                                     |                                                         | 36                                                       |                          | No                            | Yes                                                                               |
| 11.    |                     |                     | 50.00                                                                   | 50.00                                                     |                                                         | 38                                                       |                          | No                            | Yes                                                                               |
| 12.    |                     |                     | 50.00                                                                   | 50.00                                                     |                                                         | 38                                                       |                          | No                            | Yes                                                                               |
| 13.    |                     |                     | 50.00                                                                   | 50.00                                                     |                                                         | 38                                                       |                          | No                            | Yes                                                                               |
| 14.    |                     |                     | 50.00                                                                   | 50.00                                                     |                                                         | 65                                                       |                          | No                            | Yes                                                                               |
| 15.    |                     |                     | 50.00                                                                   | 50.00                                                     |                                                         | 67                                                       |                          | No                            | Yes                                                                               |
| 16.    |                     |                     | 50.00                                                                   | 50.00                                                     |                                                         | 93                                                       |                          | No                            | Yes                                                                               |
| 17.    |                     |                     | 50.00                                                                   | 50.00                                                     |                                                         | 94                                                       |                          | No                            | Yes                                                                               |
| 18.    |                     |                     | 50.00                                                                   | 50.00                                                     |                                                         | 95                                                       |                          | No                            | Yes                                                                               |
| 19.    |                     |                     | 50.00                                                                   | 50.00                                                     |                                                         | 97                                                       |                          | No                            | Yes                                                                               |

| Sr. No | Name of the Lender   | Nature of Borrowing | Sanctioned amount as on November 30, 2024 (₹ in million) <sup>(2)</sup> | Amount outstanding as on November 30, 2024 (₹ in million) | Applicable rate of interest as on November 30, 2024 (%) | Remaining Tenor as on November 30, 2024 (number of days) | Purpose of the borrowing | Prepayment penalty /Condition | Whether the loan has been utilized for the purpose for which it has been availed* |
|--------|----------------------|---------------------|-------------------------------------------------------------------------|-----------------------------------------------------------|---------------------------------------------------------|----------------------------------------------------------|--------------------------|-------------------------------|-----------------------------------------------------------------------------------|
| 20.    |                      |                     | 50.00                                                                   | 50.00                                                     |                                                         | 124                                                      |                          | No                            | Yes                                                                               |
| 21.    | DCB Bank             | WCDL                | 100.00                                                                  | 100.00                                                    | 9.15                                                    | 21                                                       | Working Capital          | No                            | Yes                                                                               |
| 22.    |                      |                     | 50.00                                                                   | 50.00                                                     |                                                         | 26                                                       |                          | No                            | Yes                                                                               |
| 23.    |                      |                     | 50.00                                                                   | 50.00                                                     |                                                         | 27                                                       |                          | No                            | Yes                                                                               |
| 24.    |                      |                     | 100.00                                                                  | 100.00                                                    |                                                         | 29                                                       |                          | No                            | Yes                                                                               |
| 25.    |                      |                     | 50.00                                                                   | 50.00                                                     |                                                         | 31                                                       |                          | No                            | Yes                                                                               |
| 26.    |                      |                     | 50.00                                                                   | 50.00                                                     | 10.50                                                   | 31                                                       |                          | No                            | Yes                                                                               |
| 27.    |                      |                     | 50.00                                                                   | 50.00                                                     | 9.15                                                    | 35                                                       |                          | No                            | Yes                                                                               |
| 28.    | IndusInd Bank        | WCDL                | 100.00                                                                  | 100.00                                                    | 10.50                                                   | 20                                                       | Working Capital          | No                            | Yes                                                                               |
| 29.    |                      |                     | 100.00                                                                  | 100.00                                                    |                                                         | 50                                                       |                          | No                            | Yes                                                                               |
| 30.    |                      |                     | 100.00                                                                  | 100.00                                                    |                                                         | 50                                                       |                          | No                            | Yes                                                                               |
| 31.    |                      |                     | 100.00                                                                  | 100.00                                                    |                                                         | 80                                                       |                          | No                            | Yes                                                                               |
| 32.    |                      |                     | 100.00                                                                  | 100.00                                                    |                                                         | 120                                                      |                          | No                            | Yes                                                                               |
| 33.    |                      |                     | 100.00                                                                  | 100.00                                                    |                                                         | 140                                                      |                          | No                            | Yes                                                                               |
| 34.    | Bank of Baroda       | WCDL                | 100.00                                                                  | 100.00                                                    | 9.15                                                    | 23                                                       | Working Capital          | No                            | Yes                                                                               |
| 35.    |                      |                     | 100.00                                                                  | 100.00                                                    |                                                         | 67                                                       |                          | No                            | Yes                                                                               |
| 36.    | Indian Overseas Bank | WCDL                | 150.00                                                                  | 150.00                                                    | 9.80                                                    | 58                                                       | Working Capital          | No                            | Yes                                                                               |
| 37.    | IDBI Bank            | WCDL                | 20.00                                                                   | 20.00                                                     | 9.25                                                    | 49                                                       | Working Capital          | No                            | Yes                                                                               |
| 38.    | HDFC Bank            | CC                  | 1100.00                                                                 | 87.51                                                     | 8.49                                                    | NA                                                       | Working Capital          | NA                            | Yes                                                                               |
| 39.    | State Bank of India  | CC                  | 1250.00                                                                 | 342.40                                                    | 9.85                                                    | NA                                                       | Working Capital          | NA                            | Yes                                                                               |

| Sr. No | Name of the Lender   | Nature of Borrowing | Sanctioned amount as on November 30, 2024 (₹ in million) <sup>(2)</sup> | Amount outstanding as on November 30, 2024 (₹ in million) | Applicable rate of interest as on November 30, 2024 (%) | Remaining Tenor as on November 30, 2024 (number of days) | Purpose of the borrowing | Prepayment penalty /Condition | Whether the loan has been utilized for the purpose for which it has been availed* |
|--------|----------------------|---------------------|-------------------------------------------------------------------------|-----------------------------------------------------------|---------------------------------------------------------|----------------------------------------------------------|--------------------------|-------------------------------|-----------------------------------------------------------------------------------|
| 40.    | Kotak Mahindra Bank  | CC                  | 1000.00                                                                 | 2.61                                                      | 10.50                                                   | NA                                                       | Working Capital          | NA                            | Yes                                                                               |
| 41.    | Axis Bank            | CC                  | 1200.00                                                                 | 12.48                                                     | 11.00                                                   | NA                                                       | Working Capital          | NA                            | Yes                                                                               |
| 42.    | Yes Bank             | CC                  | 1210.00                                                                 | 13.87                                                     | 11.60                                                   | NA                                                       | Working Capital          | NA                            | Yes                                                                               |
| 43.    | ICICI Bank           | CC                  | 300.00                                                                  | 59.36                                                     | 10.15                                                   | NA                                                       | Working Capital          | NA                            | Yes                                                                               |
| 44.    | Indian Bank          | CC                  | 1140.00                                                                 | 196.68                                                    | 10.50                                                   | NA                                                       | Working Capital          | NA                            | Yes                                                                               |
| 45.    | IDFC Bank            | CC                  | 1200.00                                                                 | 25.38                                                     | 10.70                                                   | NA                                                       | Working Capital          | NA                            | Yes                                                                               |
| 46.    | DCB Bank             | CC                  | 1000.00                                                                 | 44.97                                                     | 10.64                                                   | NA                                                       | Working Capital          | NA                            | Yes                                                                               |
| 47.    | South Indian Bank    | CC                  | 400.00                                                                  | 7.25                                                      | 9.71                                                    | NA                                                       | Working Capital          | NA                            | Yes                                                                               |
| 48.    | Bank of Baroda       | CC                  | 1100.00                                                                 | 140.56                                                    | 9.70                                                    | NA                                                       | Working Capital          | NA                            | Yes                                                                               |
| 49.    | Indian Overseas Bank | CC                  | 530.00                                                                  | 93.48                                                     | 10.05                                                   | NA                                                       | Working Capital          | NA                            | Yes                                                                               |
| 50.    | Bandhan Bank         | CC                  | 1000.00                                                                 | 78.78                                                     | 9.25                                                    | NA                                                       | Working Capital          | NA                            | Yes                                                                               |
| 51.    | IDBI Bank            | CC                  | 100.00                                                                  | 49.40                                                     | 9.90                                                    | NA                                                       | Working Capital          | NA                            | Yes                                                                               |
| 52.    | HDFC Bank            | GML                 | 60.27                                                                   | 60.27                                                     | 2.80                                                    | 93                                                       | Working Capital          | No                            | Yes                                                                               |
| 53.    |                      |                     | 37.67                                                                   | 37.67                                                     |                                                         | 96                                                       |                          | No                            | Yes                                                                               |
| 54.    |                      |                     | 15.07                                                                   | 15.07                                                     |                                                         | 113                                                      |                          | No                            | Yes                                                                               |
| 55.    |                      |                     | 37.67                                                                   | 37.67                                                     |                                                         | 113                                                      |                          | No                            | Yes                                                                               |
| 56.    |                      |                     | 37.67                                                                   | 37.67                                                     |                                                         | 117                                                      |                          | No                            | Yes                                                                               |
| 57.    |                      |                     | 37.67                                                                   | 37.67                                                     |                                                         | 117                                                      |                          | No                            | Yes                                                                               |
| 58.    | Kotak Mahindra Bank  | GML                 | 7.06                                                                    | 7.06                                                      | 3.90                                                    | 33                                                       | Working Capital          | No                            | Yes                                                                               |
| 59.    |                      |                     | 42.38                                                                   | 42.38                                                     |                                                         | 33                                                       |                          | No                            | Yes                                                                               |
| 60.    |                      |                     | 14.13                                                                   | 14.13                                                     |                                                         | 33                                                       |                          | No                            | Yes                                                                               |

| Sr. No | Name of the Lender | Nature of Borrowing | Sanctioned amount as on November 30, 2024 (₹ in million) <sup>(2)</sup> | Amount outstanding as on November 30, 2024 (₹ in million) | Applicable rate of interest as on November 30, 2024 (%) | Remaining Tenor as on November 30, 2024 (number of days) | Purpose of the borrowing | Prepayment penalty /Condition | Whether the loan has been utilized for the purpose for which it has been availed* |
|--------|--------------------|---------------------|-------------------------------------------------------------------------|-----------------------------------------------------------|---------------------------------------------------------|----------------------------------------------------------|--------------------------|-------------------------------|-----------------------------------------------------------------------------------|
| 61.    |                    |                     | 7.06                                                                    | 7.06                                                      |                                                         | 33                                                       |                          | No                            | Yes                                                                               |
| 62.    |                    |                     | 14.31                                                                   | 14.31                                                     |                                                         | 82                                                       |                          | No                            | Yes                                                                               |
| 63.    |                    |                     | 35.78                                                                   | 35.78                                                     |                                                         | 86                                                       |                          | No                            | Yes                                                                               |
| 64.    |                    |                     | 21.47                                                                   | 21.47                                                     | 3.25                                                    | 93                                                       | Working Capital          | No                            | Yes                                                                               |
| 65.    |                    |                     | 42.93                                                                   | 42.93                                                     |                                                         | 93                                                       |                          | No                            | Yes                                                                               |
| 66.    |                    |                     | 35.78                                                                   | 35.78                                                     |                                                         | 96                                                       |                          | No                            | Yes                                                                               |
| 67.    |                    |                     | 35.78                                                                   | 35.78                                                     |                                                         | 110                                                      |                          | No                            | Yes                                                                               |
| 68.    |                    |                     | 85.87                                                                   | 85.87                                                     | 2.65                                                    | 79                                                       | Working Capital          | No                            | Yes                                                                               |
| 69.    |                    |                     | 21.47                                                                   | 21.47                                                     |                                                         | 82                                                       |                          | No                            | Yes                                                                               |
| 70.    |                    |                     | 28.62                                                                   | 28.62                                                     |                                                         | 86                                                       |                          | No                            | Yes                                                                               |
| 71.    |                    |                     | 7.16                                                                    | 7.16                                                      |                                                         | 93                                                       |                          | No                            | Yes                                                                               |
| 72.    |                    |                     | 71.56                                                                   | 71.56                                                     |                                                         | 96                                                       |                          | No                            | Yes                                                                               |
| 73.    |                    |                     | 42.93                                                                   | 42.93                                                     |                                                         | 100                                                      |                          | No                            | Yes                                                                               |
| 74.    |                    |                     | 14.31                                                                   | 14.31                                                     |                                                         | 110                                                      |                          | No                            | Yes                                                                               |
| 75.    |                    |                     | 14.31                                                                   | 14.31                                                     |                                                         | 110                                                      |                          | No                            | Yes                                                                               |
| 76.    | Axis Bank          | GML                 | 73.53                                                                   | 73.53                                                     | 4.00                                                    | 38                                                       | Working Capital          | No                            | Yes                                                                               |
| 77.    |                    |                     | 7.36                                                                    | 7.36                                                      |                                                         | 40                                                       |                          | No                            | Yes                                                                               |
| 78.    |                    |                     | 7.36                                                                    | 7.36                                                      |                                                         | 40                                                       |                          | No                            | Yes                                                                               |
| 79.    |                    |                     | 58.85                                                                   | 58.85                                                     |                                                         | 40                                                       |                          | No                            | Yes                                                                               |
| 80.    |                    |                     | 53.19                                                                   | 53.19                                                     | 2.50                                                    | 43                                                       | Working Capital          | No                            | Yes                                                                               |
| 81.    |                    |                     | 30.47                                                                   | 30.47                                                     | 4.00                                                    | 43                                                       | Working Capital          | No                            | Yes                                                                               |

| Sr. No | Name of the Lender | Nature of Borrowing | Sanctioned amount as on November 30, 2024 (₹ in million) <sup>(2)</sup> | Amount outstanding as on November 30, 2024 (₹ in million) | Applicable rate of interest as on November 30, 2024 (%) | Remaining Tenor as on November 30, 2024 (number of days) | Purpose of the borrowing | Prepayme nt penalty /Condition | Whether the loan has been utilized for the purpose for which it has been availed* |
|--------|--------------------|---------------------|-------------------------------------------------------------------------|-----------------------------------------------------------|---------------------------------------------------------|----------------------------------------------------------|--------------------------|--------------------------------|-----------------------------------------------------------------------------------|
| 82.    |                    |                     | 22.86                                                                   | 22.86                                                     | 2.50                                                    | 43                                                       | Working Capital          | No                             | Yes                                                                               |
| 83.    |                    |                     | 7.62                                                                    | 7.62                                                      |                                                         | 43                                                       |                          | No                             | Yes                                                                               |
| 84.    |                    |                     | 15.23                                                                   | 15.23                                                     |                                                         | 102                                                      |                          | No                             | Yes                                                                               |
| 85.    | Yes Bank           | GML                 | 69.85                                                                   | 69.85                                                     | 2.50                                                    | 36                                                       | Working Capital          | No                             | Yes                                                                               |
| 86.    |                    |                     | 50.36                                                                   | 50.36                                                     |                                                         | 37                                                       |                          | No                             | Yes                                                                               |
| 87.    |                    |                     | 21.58                                                                   | 21.58                                                     |                                                         | 37                                                       |                          | No                             | Yes                                                                               |
| 88.    |                    |                     | 71.96                                                                   | 71.96                                                     |                                                         | 39                                                       |                          | No                             | Yes                                                                               |
| 89.    |                    |                     | 57.39                                                                   | 57.39                                                     |                                                         | 68                                                       |                          | No                             | Yes                                                                               |
| 90.    |                    |                     | 43.04                                                                   | 43.04                                                     |                                                         | 72                                                       |                          | No                             | Yes                                                                               |
| 91.    |                    |                     | 71.73                                                                   | 71.73                                                     |                                                         | 82                                                       |                          | No                             | Yes                                                                               |
| 92.    |                    |                     | 64.56                                                                   | 64.56                                                     |                                                         | 89                                                       |                          | No                             | Yes                                                                               |
| 93.    |                    |                     | 21.52                                                                   | 21.52                                                     |                                                         | 92                                                       |                          | No                             | Yes                                                                               |
| 94.    |                    |                     | 86.08                                                                   | 86.08                                                     |                                                         | 96                                                       |                          | No                             | Yes                                                                               |
| 95.    |                    |                     | 258.24                                                                  | 258.24                                                    |                                                         | 99                                                       |                          | No                             | Yes                                                                               |
| 96.    |                    |                     | 71.73                                                                   | 71.73                                                     |                                                         | 103                                                      |                          | No                             | Yes                                                                               |
| 97.    |                    |                     | 50.21                                                                   | 50.21                                                     |                                                         | 117                                                      |                          | No                             | Yes                                                                               |
| 98.    |                    |                     | 50.42                                                                   | 50.42                                                     |                                                         | 117                                                      |                          | No                             | Yes                                                                               |
| Total  |                    |                     | 17,244.07                                                               | 5,868.81                                                  |                                                         |                                                          |                          |                                |                                                                                   |

(1) Value of the gold metal loan ("GML") may vary at the time of fixation subject to rate fluctuation.

(2) The sanctioned amount indicated has been computed by sub dividing the existing sanctioned limits with the particular bank as on November 30, 2024.

\*As certified by Maheshwari & Associates, Chartered Accountants vide their certificate dated December 10, 2024, the loans have been utilised for the purpose for which it has been availed by our Company.

## **2. General corporate purposes**

The Net Proceeds will first be utilized towards the Objects as set out above and in compliance with the circular bearing reference no. NSE/ CML/2022/56 dated December 13, 2022, issued by the NSE and circular no. 20221213- 47 dated December 13, 2022, issued by the BSE. Subject to this, our Company proposes to deploy the balance Net Proceeds, aggregating to ₹ [●] million, towards general corporate purposes as approved by our management from time to time, subject to such utilisation not exceeding 25% of the Gross Proceeds, in compliance with applicable laws. The general corporate purposes for which our Company proposes to utilise Net Proceeds include, without limitation, meeting ongoing general corporate exigencies and contingencies, expenses of our Company, and/or any other general purposes, as may be permissible under applicable laws, including provisions of the Companies Act.

### **Other confirmations**

Neither our Promoter, Promoter Group nor our Directors are making any contribution either as part of the Issue or separately in furtherance of the Object. Further, neither our Promoter nor our Directors shall receive any proceeds from the Issue, whether directly or indirectly. Since the Issue is only made to Eligible QIBs, our Promoter, Directors, Key Managerial Personnel or Senior Management are not eligible to subscribe in the Issue. There are no material existing or anticipated transactions in relation to the utilisation of the Net Proceeds entered into or to be entered into by our Company with our Promoter, Promoter Group, Directors, Key Managerial Personnel and/or Senior Management.

Since the Net Proceeds are proposed to be utilised towards the purposes set forth above and not being used towards implementation of any project, the following disclosure requirements are not applicable: (i) break-up of cost of the project, (ii) means of financing such project, and (iii) proposed deployment status of the proceeds at each stage of the project.

As permissible under applicable laws, our Company's management will have flexibility in deploying the Net Proceeds.

### **Interim use of Net Proceeds**

Pending utilisation of the Net Proceeds towards the purposes described in this section, our Company intends to deposit the Net Proceeds in one or more scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934 or to temporarily invest the funds in creditworthy instruments, including money market/mutual funds, as approved by the Board and/or a duly authorised committee of the Board, from time to time, and in accordance with applicable laws. In accordance with applicable laws, we undertake to not utilize proceeds from the Issue unless Allotment is made and the corresponding return of Allotment is filed with the RoC, and the final listing and trading approvals are received from each of the Stock Exchanges, whichever is later. The Net Proceeds shall be kept by our Company in a separate bank account with a scheduled bank.

### **Monitoring of Utilisation of Funds**

In accordance with Regulation 173A of the SEBI ICDR Regulations, our Company has appointed ICRA Limited as the Monitoring Agency for monitoring the utilization of Gross Proceeds. The Audit Committee and Monitoring Agency will monitor the utilization of the Gross Proceeds and the Monitoring Agency shall submit the report required under Regulation 173A(2) of the SEBI ICDR Regulations, on a quarterly basis, to the Audit Committee until such time as the Gross Proceeds have been utilised in full. Such report, along with the comments (if any) shall be submitted to the Stock Exchanges within 45 days from the end of each quarter and uploaded on the website of our Company, or such other time as may be prescribed under the SEBI Listing Regulations.

Pursuant to Regulation 32(3) and Part C of Schedule II, of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Gross Proceeds. Subject to applicable laws, including SEBI Listing Regulations, on an annual basis, our Company shall: (i) prepare a statement of funds utilized for purposes other than those stated in this Placement Document and place it before the Audit Committee and make other disclosures as may be required until such time as the Gross Proceeds remain unutilized; and (ii) disclose every year, the utilization of the Gross Proceeds during that year in its annual report. Such disclosure shall be made only until such time that all the Gross Proceeds have been utilized in full. Furthermore, in accordance with Regulation

32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilization 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 utilization of the proceeds of the Issue from the Object of the Issue as stated above.

## CAPITALISATION STATEMENT

The following table sets forth our capitalization and total borrowings, on a consolidated basis, as of September 30, 2024 which is derived from the Unaudited Consolidated Financial Results and adjusted to give effect to the receipt of the Gross Proceeds.

This table should be read in conjunction with the sections titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*”, “*Financial Information*” and “*Selected Financial Information*” on pages 118, 316 and 47, respectively.

(in ₹ million, other than the ratios)

| Particulars                                                             | Pre-Issue as at<br>September 30, 2024 | As adjusted for the<br>Issue <sup>*#^</sup> |
|-------------------------------------------------------------------------|---------------------------------------|---------------------------------------------|
| Current borrowings                                                      | 16,144.56                             | [●]                                         |
| Non-current borrowings (including current maturities of long-term debt) | 8.59                                  | [●]                                         |
| <b>Total borrowings (A)</b>                                             | 16,153.15                             | [●]                                         |
| <b>Shareholders' funds:</b>                                             |                                       |                                             |
| <b>Equity</b>                                                           |                                       |                                             |
| - Equity share capital                                                  | 777.22                                | [●]                                         |
| - Other equity (including non-controlling interest)                     | 13,455.41                             | [●]                                         |
| <b>Total equity (B)</b>                                                 | 14,232.63                             | [●]                                         |
| <b>Total capitalization (A+B)</b>                                       | 30,385.78                             | [●]                                         |
| <b>Ratio: Total borrowings / Total equity (A/B)</b>                     | 1.13                                  | [●]                                         |

Notes:

\* Will be finalized upon determination of the Issue Price.

# Adjustments do not include Issue related expenses

^ As adjusted to reflect the number of Equity Share issued pursuant to the Issue

## CAPITAL STRUCTURE

The Share capital of our Company as on the date of this Preliminary Placement Document is set forth below:

(in ₹, except share data)

|          |                                                                                    | Aggregate nominal value at face Value |
|----------|------------------------------------------------------------------------------------|---------------------------------------|
| <b>A</b> | <b>AUTHORISED SHARE CAPITAL</b>                                                    |                                       |
|          | 100,000,000 Equity Shares of ₹ 10 each <sup>(1)</sup>                              | 1,000,000,000                         |
|          | 14,000,000 CCPS of ₹ 10 each                                                       | 140,000,000                           |
|          | <b>TOTAL</b>                                                                       | <b>1,140,000,000</b>                  |
| <b>B</b> | <b>ISSUED, SUBSCRIBED AND FULLY PAID-UP SHARE CAPITAL BEFORE THE ISSUE</b>         |                                       |
|          | 77,722,448 Equity Shares of ₹ 10 each <sup>(1)</sup>                               | 777,224,480                           |
| <b>C</b> | <b>PRESENT ISSUE IN TERMS OF THIS PRELIMINARY PLACEMENT DOCUMENT<sup>(1)</sup></b> |                                       |
|          | Up to [●] Equity Shares of face value ₹ 10 each <sup>(1)(2)</sup>                  | [●]                                   |
| <b>D</b> | <b>ISSUED AND SUBSCRIBED AND PAID-UP CAPITAL AFTER THE ISSUE</b>                   |                                       |
|          | [●] Equity Shares of face value ₹ 10 each <sup>(1)</sup>                           | [●]                                   |
| <b>E</b> | <b>SECURITIES PREMIUM ACCOUNT</b>                                                  |                                       |
|          | Before the Issue                                                                   | 3,435,567,268                         |
|          | After the Issue <sup>(3)(4)</sup>                                                  | [●]                                   |

(1) Our Board of Directors pursuant to their resolution dated October 4, 2024 and our Shareholders pursuant to a special resolution passed by way of a postal ballot on November 26, 2024, have approved the sub-division of each equity share of our Company of face value ₹ 10 each into 2 equity shares of face value of ₹ 5 each. However, as on the date of this PPD, we are yet to give effect to the sub-division including announcement of the record date for effecting the sub-division and completion of the corporate actions thereunder.

(2) This Issue has been authorised and approved by our Board of Directors pursuant to its resolution passed on October 4, 2024. The Shareholders of our Company have authorised and approved the Issue by way of a special resolution passed by way of postal ballot dated November 26, 2024.

(3) To be determined upon finalisation of the Issue Price.

(4) The securities premium account after the Issue is calculated on the basis of Gross Proceeds of the Issue. Adjustments do not include Issue related expenses.

### Equity Share Capital History of our Company:

The history of the Equity Share capital of our Company as on the date of this Preliminary Placement Document is provided in the following table\*:

| Date of allotment/<br>transfer                                                                                                                                                                                                                                                                                                                                                                                                          | Number of<br>equity<br>shares<br>allotted | Face value<br>per equity<br>share (₹) | Issue price<br>per equity<br>share (₹) | Nature of<br>consideration | Reason/Nature of allotment or<br>transfer       |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|---------------------------------------|----------------------------------------|----------------------------|-------------------------------------------------|
| At incorporation                                                                                                                                                                                                                                                                                                                                                                                                                        | 1,000                                     | 1,000                                 | 1,000                                  | Cash                       | Initial subscription to the MOA                 |
| August 1, 1996                                                                                                                                                                                                                                                                                                                                                                                                                          | 5,198                                     | 1,000                                 | 1,000                                  | Cash                       | Further issue                                   |
| March 25, 1997                                                                                                                                                                                                                                                                                                                                                                                                                          | 200                                       | 1,000                                 | 1,000                                  | Cash                       | Further issue                                   |
| September 22, 1997                                                                                                                                                                                                                                                                                                                                                                                                                      | 3,602                                     | 1,000                                 | 1,000                                  | Other than cash            | Pursuant to acquisition of Senco Jewellery Mart |
| March 15, 2005                                                                                                                                                                                                                                                                                                                                                                                                                          | 7,500                                     | 1,000                                 | 1,000                                  | Cash                       | Pursuant to conversion of loan into equity      |
| Pursuant to a Board resolution dated March 2, 2006 and Shareholders' resolution dated March 29, 2006, each equity share of our Company of face value ₹1,000 was sub- divided into 100 Equity Shares of face value of ₹10 each and accordingly the issued and paid-up equity share capital of our Company was sub-divided from 17,500 equity shares of face value of ₹ 1,000 each to 1,750,000 Equity Shares of face value of ₹ 10 each. |                                           |                                       |                                        |                            |                                                 |

| Date of allotment/<br>transfer | Number of<br>equity<br>shares<br>allotted | Face value<br>per equity<br>share (₹) | Issue price<br>per equity<br>share (₹) | Nature of<br>consideration | Reason/Nature of allotment or<br>transfer                                                                             |
|--------------------------------|-------------------------------------------|---------------------------------------|----------------------------------------|----------------------------|-----------------------------------------------------------------------------------------------------------------------|
| March 26, 2007                 | 4,147,564                                 | 10                                    | 16.56                                  | Other than cash            | Pursuant to the takeover of Senco Gold Museum and Senco Gold Mart, by our Company                                     |
| September 1, 2007              | 2,066,000                                 | 10                                    | 10                                     | Cash                       | Rights issue                                                                                                          |
| September 6, 2007              | 400                                       | 10                                    | 10                                     | Cash                       | Further issue                                                                                                         |
| August 30, 2008                | 3,981,982                                 | 10                                    | -                                      | Bonus                      | Bonus issue in the ratio 2:1                                                                                          |
| August 21, 2012                | 3,250,000                                 | 10                                    | 10                                     | Cash                       | Further issue                                                                                                         |
| October 5, 2012                | 2,532,658                                 | 10                                    | -                                      | Bonus                      | Bonus issue in the ratio 6:1                                                                                          |
| October 8, 2014                | 100                                       | 10                                    | 180.50                                 | Cash                       | Further issue                                                                                                         |
| May 6, 2018                    | 35,457,408                                | 10                                    | -                                      | Bonus                      | Bonus issue in the ratio 1:2                                                                                          |
| April 7, 2022                  | 2,663,541                                 | 10                                    | 281.58                                 | Cash                       | Private Placement                                                                                                     |
| June 26, 2023                  | 13,296,153                                | 10                                    | NA                                     | NA                         | Conversion of 13,296,153 CCPS to 13,296,153 Equity Shares in the ratio of one Equity Share for each CCPS held by them |
| July 11, 2023                  | 8,517,350                                 | 10                                    | 317.00                                 | Cash                       | Public Issue                                                                                                          |
| December 18, 2023              | 22,889                                    | 10                                    | 250.00                                 | Cash                       | ESOP                                                                                                                  |
| December 18, 2023              | 1,425                                     | 10                                    | 281.58                                 | Cash                       | ESOP                                                                                                                  |
| March 09, 2024                 | 16,703                                    | 10                                    | 250.00                                 | Cash                       | ESOP                                                                                                                  |
| August 05, 2024                | 14,625                                    | 10                                    | 281.58                                 | Cash                       | ESOP                                                                                                                  |
| August 05, 2024                | 3,650                                     | 10                                    | 250.00                                 | Cash                       | ESOP                                                                                                                  |
| <b>Total</b>                   | <b>77,722,448*</b>                        |                                       |                                        |                            |                                                                                                                       |

\*Our Board of Directors pursuant to their resolution dated October 4, 2024 and our Shareholders pursuant to a special resolution passed by way of a postal ballot on November 26, 2024, have approved the sub-division of each equity share of our Company of face value ₹ 10 each into 2 equity shares of face value of ₹ 5 each. However, as on the date of this PPD, we are yet to give effect to the sub-division including announcement of the record date for effecting the sub-division and completion of the corporate actions thereunder.

In relation to certain of our corporate documents and records that are not traceable or inadvertent errors in certain of our regulatory filings and records, including our statutory register of share transfer, see – Risk Factors – “Some of our corporate records and statutory filings are lost or not traceable in relation to certain disclosures made in this Preliminary Placement Document.” on page 76.

### Pre-Issue and post-Issue equity shareholding pattern

The following table provides the pre-Issue shareholding pattern as of September 30, 2024, and the post-Issue shareholding pattern:

| Sr.<br>No. | Category                    | Pre-Issue                          |                      | Post-Issue*                        |                      |
|------------|-----------------------------|------------------------------------|----------------------|------------------------------------|----------------------|
|            |                             | Number of<br>Equity Shares<br>held | % of<br>shareholding | Number of<br>Equity Shares<br>held | % of<br>shareholding |
| <b>A.</b>  | <b>Promoters' holding**</b> |                                    |                      |                                    |                      |
| 1.         | Indian                      |                                    |                      |                                    |                      |
|            | Individual                  | 13,416,757                         | 17.26                | ●                                  | ●                    |
|            | Body Corporates/Trusts      | 39,023,374                         | 50.21                | ●                                  | ●                    |
|            | <b>Sub-total</b>            | <b>52,440,131</b>                  | <b>67.47</b>         | ●                                  | ●                    |
| 2.         | Foreign promoters           | -                                  | -                    | ●                                  | ●                    |
|            | <b>Sub-total (A)</b>        | <b>52,440,131</b>                  | <b>67.47</b>         | ●                                  | ●                    |
| <b>B.</b>  | <b>Non-Promoter holding</b> |                                    |                      |                                    |                      |
| 1.         | Institutional investors     | 14,123,013                         | 18.17                | ●                                  | ●                    |

| Sr. No. | Category                                            | Pre-Issue                    |                   | Post-Issue*                  |                   |
|---------|-----------------------------------------------------|------------------------------|-------------------|------------------------------|-------------------|
|         |                                                     | Number of Equity Shares held | % of shareholding | Number of Equity Shares held | % of shareholding |
| 2.      | <b>Non-Institutional investors</b>                  |                              |                   |                              |                   |
|         | <i>Body Corporates</i>                              | 499,867                      | 0.64              | [●]                          | [●]               |
|         | <i>Directors and their relatives</i>                | -                            | -                 | [●]                          | [●]               |
|         | <i>Indian Public</i>                                | 9,729,588                    | 12.52             | [●]                          | [●]               |
|         | <i>Others including Non-Resident Indians (NRIs)</i> | 929,849                      | 1.20              | [●]                          | [●]               |
|         | <b>Sub-total (B)</b>                                | <b>25,282,317</b>            | <b>32.53</b>      | [●]                          | [●]               |
|         | <b>Grand Total (A+B)</b>                            | <b>77,722,448</b>            | <b>100.00</b>     | [●]                          | [●]               |

\*The post-Issue shareholding pattern has been intentionally left blank and will be filled in the Placement Document.

\*\*Includes shareholding of our Promoter Group as well.

### Employee stock option plans instituted by our Company

As on the date of this Preliminary Placement Document, our Company has an employee stock option scheme named Senco Gold Limited Employee Stock Option Scheme - 2018 (“**ESOP Scheme 2018**”).

Our Company instituted the ESOP Scheme 2018 pursuant to the resolutions passed by our Board on May 22, 2018 and as amended *vide* resolutions dated September 18, 2021, March 11, 2022 and March 9, 2024 and resolutions passed by our Shareholders on May 24, 2018 and as amended *vide* resolutions dated October 25, 2021, April 2, 2022 and June 7, 2024. The objective of the ESOP Scheme 2018 is to motivate the employees to contribute to the growth and profitability of our Company, to retain employees and reduce the attrition rate of our Company, to provide means to enable our Company to attract and retain appropriate human talent in the employment of our Company, to achieve sustained growth and the creation of shareholder value by aligning the interests of the employees with the long-term interests of our Company, to create a sense of ownership and participation amongst the employees to share the value they create for our Company in the years to come, and to provide additional deferred rewards to employees.

The maximum number of options that may be issued pursuant to the ESOP Scheme 2018 is 10,00,000 options which shall be convertible into 10,00,000 Equity Shares of our Company (as adjusted for any corporate action). The maximum number of options that can be granted to any eligible employee during any one year shall not be equal to or exceeding 1.00% of the issued capital of our Company at the time of grant of options unless separate approval of the Shareholders in a general meeting has been obtained by our Company. The ESOP Scheme 2018 is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

The following table sets for the details of ESOP Scheme 2018 as on the date of this Preliminary Placement Document:

| Sr. no. | Particulars                                       | Number of Equity Shares/options |
|---------|---------------------------------------------------|---------------------------------|
| 1.      | Total number of options                           | 1,000,000                       |
| 2.      | Total number of options granted                   | 286,100                         |
| 3.      | Total number of options vested                    | 62,880                          |
| 4.      | Total number of options exercised                 | 59,292                          |
| 5.      | Total number of options lapsed or forfeited       | 41,425                          |
| 6.      | Total number of options outstanding/pending grant | 755,325                         |

### Other confirmations

- (i) Except for the outstanding options under the ESOP Scheme 2018 as disclosed in this section, there are no outstanding options, warrants or rights to convert debentures, loans or other instruments convertible into Equity Shares as on the date of this Preliminary Placement Document.

- (ii) Our Equity Shares have been listed for a period of at least one year prior to the date of the issuance of the postal ballot notice to our Shareholders, i.e., October 25, 2024, for approving the Issue.
- (iii) As on the date of this Preliminary Placement Document, our Company does not have outstanding preference shares.
- (iv) Except as stated above, our Company has not made any allotment of Equity Shares, including for consideration other than cash, in the last one year preceding the date of this Preliminary Placement Document.
- (v) Our Company shall not make any subsequent qualified institutions placement until the expiry of two weeks from the date of the Issue pursuant to one or more special resolutions. Further, Equity Shares allotted pursuant to this Issue cannot be sold by the Allottees for a period of one year from the date of Allotment, except on the Stock Exchanges.
- (vi) No change in control in our Company will occur consequent to the Issue.
- (vii) The Promoters, the Directors, the Key Managerial Personnel and members of the Senior Management of our Company do not intend to participate in the Issue.

#### **Proposed Allottees in the Issue**

In compliance with the requirements prescribed under the SEBI ICDR Regulations, Allotment shall be made at the sole discretion of our Company in consultation with the Book Running Lead Managers to the Eligible QIBs only.

The names of the proposed Allottees, assuming that the Equity Shares are Allotted to them pursuant to this Issue, and the percentage of post-Issue share capital that may be held by them is set forth in “*Proposed Allottees in the Issue*” beginning on page 523.

## **RELATED PARTY TRANSACTIONS**

For details of the related party transactions during (i) Fiscal 2024; (ii) Fiscal 2023; and (iii) Fiscal 2022, as per the requirements under Ind AS 24 'Related party disclosures' notified under Section 133 of the Companies Act, read with Companies (Indian Accounting Standard) Rules 2015, as amended and as reported, please refer to the section titled "*Financial Information*" on page 316.

## DIVIDENDS

The declaration and payment of dividends by our Company, if any, will be recommended by our Board and approved by our Shareholders at their discretion, subject to the provisions of the Articles of Association and the applicable laws, including the Companies Act. Our Board may also, from time to time, declare interim dividends.

Our Board has approved and adopted a formal dividend distribution policy on March 11, 2022, in terms of Regulation 43A of the SEBI Listing Regulations (“**Dividend Distribution Policy**”). For further information, please refer to the section titled “*Description of the Equity Shares*” on page 292.

The following table details the dividend (including interim dividend, if any) declared and paid or payable by our Company on the Equity Shares for the relevant periods mentioned below:

| Particulars                                        | From October 1, 2024, till the date of this PPD | Six months period ended September 30, 2024 | Fiscal 2024 | Fiscal 2023 | Fiscal 2022 |
|----------------------------------------------------|-------------------------------------------------|--------------------------------------------|-------------|-------------|-------------|
| Face value per Equity Share (in ₹)                 | 10.00*                                          | 10.00                                      | 10.00       | 10.00       | 10.00       |
| Interim dividend declared per Equity Shares (in ₹) | -                                               | -                                          | 1.00        | 1.50        | 1.00        |
| Interim dividend on Equity Shares (₹ in millions)  | -                                               | -                                          | 77.66       | 83.77       | 53.19       |
| Interim dividend Rate (%)                          | -                                               | -                                          | 10.00%      | 15.00%      | 10.00%      |
| Final dividend declared per Equity Share (in ₹)    | -                                               | -                                          | 1.00        | -           | 0.50        |
| Final dividend on Equity Shares (₹ in millions)    | -                                               | -                                          | 77.72       | -           | 27.92       |
| Final dividend Rate (%)                            | -                                               | -                                          | 10.00%      | -           | 5.00%       |
| Dividend distribution tax (%)                      | -                                               | -                                          | -           | -           | -           |

*\*Our Board of Directors pursuant to their resolution dated October 4, 2024 and our Shareholders pursuant to a special resolution passed by way of a postal ballot on November 26, 2024, have approved the sub-division of each equity share of our Company of face value ₹ 10 each into 2 equity shares of face value of ₹ 5 each. However, as on the date of this PPD, we are yet to give effect to the sub-division including announcement of the record date for effecting the sub-division and completion of the corporate actions thereunder.*

Investors are cautioned not to rely on past dividends as an indication of the future performance of our Company or for an investment in the Equity Shares offered in the Issue. The amounts paid as dividends in the past are not necessarily indicative of the Dividend Distribution Policy of our Company or dividend amounts, if any, in the future. There is no guarantee that any dividends will be declared or paid in the future or that the amount thereof will not be decreased. The form, frequency and amount of future dividends declared by our Company will depend on a number of internal and external factors, including, but not limited to, the factors set out in the Dividend Distribution Policy and such other factors that the Board may deem relevant in its discretion, subject to the approval of our Shareholders.

The Equity Shares to be issued in connection with this Issue shall qualify for dividend including interim dividend, if any, that is declared and record date thereof occurs after the Allotment.

## 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 Audited Consolidated Financial Statements and the Unaudited Consolidated Financial Results included in the section "Financial Information" on page 316.

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 20 for a discussion of the risks and uncertainties related to those statements and also "Risk Factors", "Financial Information" and "Our Business" beginning on pages 57, 316 and 210, 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.

Our fiscal year ends on March 31 of each year. Accordingly, references to a "Fiscal" year are to the 12-month period ended March 31 of the relevant year. Unless otherwise indicated or the context otherwise requires, the financial information for Fiscals 2022, 2023 and 2024 included herein is derived from the Audited Consolidated Financial Statements and the financial information for the six months period ended September 30, 2024, included herein is derived from the Unaudited Limited Review Results included in this Preliminary Placement Document. For further information, see "Financial Information" on page 316.

Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled "Industry Research Report on Indian Gems and Jewellery" ("**CARE Report**") dated December 2024 prepared and issued by CARE Analytics and Advisory Limited exclusively commissioned and paid for by us to enable the investors to understand the industry in which we operate in connection with this Issue. The data included herein includes excerpts from the CARE Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the proposed Issue), that has been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the CARE Report and included herein with respect to any particular year refers to such information for the relevant calendar/Fiscal, as applicable. For more information, see "Risk Factors – Certain sections of this Preliminary Placement Document disclose information from the industry report which has been commissioned and paid for by us exclusively in connection with the Issue and any reliance on such information for making an investment decision in the Issue is subject to inherent risks." on page 86.

### OVERVIEW

For information in relation to our business, please see "Our Business" on page 210.

### SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Our results of operations have been, and will continue to be, affected by a number of events and actions, some of which are beyond our control. However, there are some specific items that we believe have impacted our results of operations and, in some cases, will continue to impact our results. We believe that the following factors, amongst others, have, or could have, an impact on these results, the manner in which we generate income and incur the expenses associated with generating this income. For further details of such factors, please see the sections titled "Our Business" and "Risk Factors" on pages 210 and 57, respectively and specifically following:

#### **Retail network**

Our results of operations are materially affected by the number, size and location of our Showrooms. Set forth below is a table showing the number of showrooms we had at the end of the fiscals indicated, our revenue from operations and profit for the year for such years.

| Period/Year                            | Number of Showrooms at the end of the year/period (Company Operated Showrooms and Franchisee Showrooms) | Revenue from operations for the year/period (₹ in million) | Profit after tax for the year/period (₹ in million) |
|----------------------------------------|---------------------------------------------------------------------------------------------------------|------------------------------------------------------------|-----------------------------------------------------|
| Six months period ended September 2024 | 167                                                                                                     | 29,043.76                                                  | 633.94                                              |
| Fiscal 2024                            | 160                                                                                                     | 52,414.43                                                  | 1,810.04                                            |
| Fiscal 2023                            | 136                                                                                                     | 40,774.04                                                  | 1,584.79                                            |
| Fiscal 2022                            | 127                                                                                                     | 35,346.41                                                  | 1,291.02                                            |

We may require significant financial resources in connection with the leasing of property for our new Company Operated Showrooms, capital expenditure, financing, inventory and hiring of additional employees for our expanded operations. In addition, as we enter new markets, we face competition from regional or national players, who may have an established local presence, and may be more familiar with local customers' design preferences, business practices and customs. An inability to effectively manage our expanded operations or pursue our growth strategy may lead to operational and financial inefficiencies, which may in-turn result in a material adverse effect on our business prospects, financial condition and results of operations. Additionally, the success of any retail business is significantly dependent upon identifying the best possible locations for showrooms at a competitive cost. While we have a team that is responsible for finding locations to lease for the purposes of opening new showroom, any inability to lease these locations at the desired time, place and cost could have a material adverse impact on our growth prospects. Our primary investment in new showrooms consists of inventory in the form of gold and diamonds, which generally does not suffer from obsolescence and can be easily transferred to other showrooms. This flexibility significantly reduces the inherent risk associated with opening new showrooms.

Our business strategy also depends in part on the successful franchising of our brand. We may not be able to identify suitable franchisees or we may not correctly manage our existing franchisees. Although we have developed criteria to evaluate and screen prospective franchisees, we cannot be certain that the franchisees we select will have the necessary business acumen or financial resources. Further, we cannot be certain that our franchisee partners may be able to obtain working capital at favourable terms or at all.

### **Working Capital Requirements**

As on November 30, 2024, our Company, on a consolidated basis, has a total working capital sanction limit amounting to ₹ 31,290.00 million, which includes: (i) consortium sanctioned tie-up limit aggregating to ₹ 9,000.00 million which includes cash credit/ working capital demand loan facilities amounting to ₹ 7,700.00 million having interchangeability of ₹ 2,510.00 million as gold metal loan ( earmark cash credit) and gold metal loan limit of ₹ 1,300.00 million having interchangeability of ₹ 760.00 million as cash credit/working capital demand loan; (ii) working capital facility sanctioned outside consortium as cash credit/ working capital demand loan amounting to ₹ 7,280 million having interchangeability of ₹ 3,130.00 million as gold metal loan ( earmark cash credit) and gold metal loan limit of ₹ 1,450.00 million having interchangeability of ₹ 240.00 million as cash credit/working capital demand loan and (iii) working capital facility outside consortium as gold metal loan limit amounting to ₹ 13,210.00 million.

Our business requires a substantial amount of working capital, primarily to finance the purchase of raw materials. Moreover, we may need substantial incremental working capital for expansion of our business, particularly in connection with our strategy to increase our focus on diamond jewellery and expansion of our retail and franchisee network. For further details, please see “*Our Business – Business Strategies – Focus on increasing the overall operating margins by adapting optimal product mix*” on page 225.

Further, we may need to seek funding through additional borrowings or securities offerings. We cannot assure you that such funding will be obtained in a timely manner, on satisfactory terms, or at all. Moreover, if we raise additional debt, our interest expense will increase and our debt covenants under our existing loans may be impacted. The success of our business is dependent on our ability to obtain and maintain sufficient cash flow, credit facilities and other sources of funding. For risks associated with our working capital requirements, refer to “*Risk Factors - Our Company requires significant amounts 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.” on page 66.

### **Availability and cost of gold and other raw materials**

Timely procurement of materials such as gold bullion, diamonds, precious and semi-precious stones as well as the quality and the price at which they are procured play an important role in the successful operation of our business. Gold used in our manufacturing operations is primarily sourced from nominated banks in India. We may also require specific quality raw materials including precious stones for a particular jewellery design. Accordingly, our business is affected by the availability, cost and quality of raw materials. The prices and supply of these and other materials depend on factors beyond our control, including general economic conditions, competition, production levels and regulatory factors such as import duties. In addition, if for any reason, our primary suppliers of raw materials curtail or discontinue their delivery of such raw materials to us, in the quantities we need and at prices that are competitive, our ability to meet our material requirements for our operations could be impaired, our delivery schedules could be disrupted and our business and reputation may be adversely affected. The results of our operations are significantly affected by changes in the prices of gold and diamonds.

The following table depicts the cost of materials consumed namely gold bars, diamond, precious and semi-precious stones and other materials (silver bar, platinum bar, novelty and accessories):

(₹ in million)

| Particulars                                | September 30, 2024 | March 31, 2024   | March 31, 2023   | March 31, 2022   |
|--------------------------------------------|--------------------|------------------|------------------|------------------|
|                                            | (Unaudited)        | (Audited)        | (Audited)        | (Audited)        |
| Gold bar (Including recycled Gold)         | 21,690.83          | 36,428.56        | 27,327.60        | 26,472.22        |
| Silver bar & Grain                         | 258.92             | 407.70           | 309.34           | 334.99           |
| Platinum bar                               | 78.78              | 44.91            | 172.63           | 63.32            |
| Diamond and precious/ semi-precious stones | 1,345.69           | 1,968.65         | 1809.05          | 1,386.79         |
| Fashion jewellery                          | 61.35              | 84.39            | 67.97            | 46.87            |
| Novelty and accessories                    | 22.03              | 37.49            | 35.60            | 31.31            |
| <b>Total</b>                               | <b>23,457.60</b>   | <b>38,971.70</b> | <b>29,722.19</b> | <b>28,335.51</b> |

The availability of gold, our key raw material, may be adversely affected due to various reasons which might affect our production of gold jewellery. Any decrease in supply of gold or our inability to effectively procure gold at competitive rates, in time, or at all, may impact our business, financial condition, results of operations and prospects. Further, factors that may adversely impact sale of gold jewellery, such as imposition of increased back ground checks or changing consumer preferences, may lead to decrease in our revenues.

Majority of the gold used as raw material by us is sourced by way of gold metal loan facilities offered by bullion banks. Under such arrangements, the price of gold purchased under gold metal loan is not fixed on procurement, but rather within the applicable credit period, thereby reducing risk relating to gold price fluctuations between the time of procuring the raw material and selling the finished product to our customers.

### **Product Mix**

Changes in the relative mix of gold jewellery, diamond jewellery and other jewellery articles have had and are likely to continue to have an impact on our financial condition and results of operations, as each product type has varying profit margins. Diamond and other precious stone jewellery typically has higher profit margins as compared to gold jewellery. In the Fiscals 2024, 2023 and 2022 and for the six months period ended September 30, 2024 the revenue from sale of diamond jewellery contributed 10.93%, 10.35%, 8.24% and 10.35% respectively, of our sale of products. This primarily resulted from an increase in the relative proportion of diamond jewellery sold.

## INTEREST COVERAGE RATIO

The table below provides reconciliation of our interest coverage ratio, on a consolidated basis, for the relevant periods therein:

*(in ₹ million, except ratio)*

| Particulars                                            | For the six months<br>period ended<br>September 30, 2024 | For the year ended |                |                |
|--------------------------------------------------------|----------------------------------------------------------|--------------------|----------------|----------------|
|                                                        |                                                          | March 31, 2024     | March 31, 2023 | March 31, 2022 |
| Profit after tax (A)                                   | 633.94                                                   | 1,810.04           | 1,584.79       | 1,291.02       |
| Depreciation & Amortization (B)                        | 359.10                                                   | 601.09             | 455.53         | 421.15         |
| Finance Cost (C)                                       | 647.87                                                   | 1,081.03           | 860.53         | 708.79         |
| Cash profit after tax (D=A+B+C)                        | 1,640.91                                                 | 3,492.16           | 2,900.85       | 2,420.96       |
| <b>Interest Coverage Ratio (number of times) (D/C)</b> | <b>2.53</b>                                              | <b>3.23</b>        | <b>3.37</b>    | <b>3.42</b>    |

## PRINCIPAL COMPONENTS OF INCOME AND EXPENDITURE

### *Income*

Our income comprises revenue from sale of jewellerys and related products, other operating revenue and other income. We generate majority of our income from sale of products, namely, gold jewellery, diamond and other precious/semi-precious stones, silver jewellery and articles, platinum jewellery, fashion jewellery and novelties and accessories. We also generate income from other operating revenue, which includes franchisee fees received from our franchisee partners under Franchisee Agreements.

### *Revenue from sale of products and other operating revenues*

Our sale of products comprise of (i) Gold jewellery, (ii) Diamond jewellery (iii) precious/semi precious stones, (iv) Silver jewellery and articles (v) Platinum jewellery, (vi) Fashion jewellery, (vii) Novelty and accessories, (viii) Other operating revenue and (ix) Franchisee fees. For a detailed breakup refer to the section “Our Business” on page 210.

### *Other Income*

Other income includes (i) interest income on bank deposits, (ii) interest income on financial assets measured at amortised cost, (iii) net gain on foreign currency transactions and translations, (iv) profit from disposal of property, plant and equipment, (v) liabilities no longer required, written back, (v) rent concessions from lessors, (vi) fair value gain on commodity derivative contracts, (vii) ineffective portion of change in fair value of gold loans and (viii) others

### *Expenditure*

Our expenses comprise (i) cost of materials consumed, (ii) purchases of stock-in-trade, (iii) Changes in inventories of finished goods and stock-in-trade, (iv) job work charges (v), sales and marketing expense, (vi) lease rental for showrooms (vii) employee benefits expenses, (viii) finance cost, (ix) depreciation and amortization expenses and (x) fair value loss on commodity hedging contracts (xi) other expenses (like Bank Charges, security, repairs, Audit Fees, CSR, Legal and Professional Fees etc.

### *Cost of materials consumed*

A substantial portion of our expenditure is incurred on the cost of materials consumed by us during the course of our operations. Purchases of gold bars comprise a significant majority of our cost of materials, followed by purchases of diamonds, precious and semi-precious stones. We also purchase materials such as silver bars, platinum bars, fashion jewellery, novelties and other accessories.

### *Purchases of stock-in-trade*

Our purchases of stock in trade consists primarily of gold jewellery and also includes purchases of platinum and silver jewellery; as well as precious metal articles.

#### *Changes in inventories of finished goods, stock-in-trade and work in progress*

The net change in inventories of finished goods, stock-in-trade and work in progress is the difference between our opening stock and closing stock.

#### *Employee benefits expenses*

Employee benefit expenses comprise salaries and bonus, staff incentive contribution to provident and other funds, staff welfare expenses, training & development expenses, scholarships, medical insurance.

#### *Finance costs*

Our finance costs consist primarily of interest expense on gold metal and working capital loans and others, unwinding of discount on security deposits, interest on lease liabilities as per IND AS 116, income tax and also include other borrowing costs, processing fee etc.

#### *Depreciation / Amortization*

Depreciation and amortization expenses primarily include depreciation expenses on our property, plant and equipment and amortization expenses on our intangible assets and right of use assets. Our depreciation and amortisation expenses also includes the impact of the amortisation of right of use assets under Ind AS 116.

#### *Other expenses*

We also incur expenses primarily in the form of, amongst others, (i) advertising and sales promotion; (ii) job work charges; (iii) lease-rental; (iv) bank charges; (v) legal and professional fees; (vi) fair value on commodity hedging contracts; (vii) CSR expenses; (viii) security; (ix) electricity; (x) bank charges and (xi) miscellaneous expenses.

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **Basis of Preparation**

The Consolidated Financial Statement include the financial statements of the Company and its subsidiaries, as mentioned below:

| <b>Name of the subsidiary</b>                                              | <b>Country of incorporation</b> | <b>Percentage holding</b>                        |
|----------------------------------------------------------------------------|---------------------------------|--------------------------------------------------|
| Senco Gold Artisanhip Private Limited<br>(incorporated on 14 October 2020) | India                           | 100% with effect from the date of incorporation. |
| Senco Global Jewellery Trading LLC<br>(incorporated on 14 February 2023)   | United Arab Emirates            | 100% with effect from the date of incorporation. |

All amounts included in the Consolidated Financial Information are reported in Indian Rupees ('INR') in millions unless otherwise stated.

#### **Application of new and revised Indian Accounting Standards (Ind AS)**

All the Ind AS issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the consolidated financial statements are authorised, have been considered in preparing the Consolidated Financial Information.

#### **Application of new accounting pronouncements**

'Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules, 2015 and as issued from time to time. For the year ended 31 March 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

## PRINCIPLES OF CONSOLIDATION

### Subsidiary

A subsidiary is an entity over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

The Consolidated Financial Statements have been prepared in accordance with Ind AS 110 'Consolidated Financial Statements' and on the basis of separate audited financial statements of the Holding Company and its subsidiary.

The Consolidated Financial Information of the Group are combined on a line-by-line basis by adding together book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or loss in accordance with Ind AS 110.

The subsidiary has a consistent reporting date of the balance sheet of the Holding Company.

Non-controlling interests, if any, in the results and equity of subsidiary companies is shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Consolidated Statement of Asset and Liabilities.

### List of subsidiary companies considered in the Consolidated Financial Information:

| Name of the subsidiary                                                   | Nature of business                        | Name of the Holding Company | Country of incorporation | % Holding as at 30 September 2024 |
|--------------------------------------------------------------------------|-------------------------------------------|-----------------------------|--------------------------|-----------------------------------|
| Senco Gold Artisanship Private Limited (incorporated on 14 October 2020) | Manufacturing of gold jewellery           | Senco Gold Limited          | India                    | 100                               |
| Senco Global Jewellery Trading LLC (incorporated on 14 February 2023)    | Retail sale of gold and diamond jewellery | Senco Gold Limited          | UAE                      | 100                               |
| Sennes Fashion Limited (incorporated on 7 September 2024)                | Trading and export of Lifestyle products  | Senco Gold Limited          | India                    | 100                               |

## MATERIAL ACCOUNTING POLICIES

### Overall consideration

The Consolidated Financial Statements have been prepared on a going concern basis using the significant accounting policies and measurement bases as summarised below.

These accounting policies have been consistently used throughout all the years, presented in the Consolidated Financial Information, unless otherwise stated.

## Statement of compliance

These Consolidated Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ('the Act') and other relevant provisions of the Act (as amended).

## Functional and presentation currency

The Consolidated Financial Information are presented in Indian rupee (₹), which is the Group's functional currency. All amounts have been rounded off to the nearest millions, unless otherwise stated.

## Basis of measurement

The Consolidated Financial Information have been prepared on historical cost convention on the accrual basis, except for the following items:

| Items                                              | Measurement basis                                                           |
|----------------------------------------------------|-----------------------------------------------------------------------------|
| Derivative assets/liabilities                      | Fair value                                                                  |
| Certain financial assets and financial liabilities | Fair value                                                                  |
| Net defined benefit (asset)/ liability             | Fair value of plan assets less present value of defined benefit obligations |

## Measurement of fair values

Certain accounting policies and disclosures of the Group require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. The management has overall responsibility for overseeing all significant fair value measurements and it regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then their valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Estimates and judgements are continuously evaluated. They are based on historical experience and other factors including expectation of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

## Operating cycle

Based on the nature of operations, the Group has ascertained its operating cycle for the purpose of current and non-current classification of assets and liabilities as 12 months. Operating cycle is the time between the purchase of raw materials for processing or purchase of stock-in-trade and their realisation in cash or cash equivalents.

## **Property, plant and equipment and capital work-in-progress**

### **Recognition and measurement**

Property, plant and equipment are carried at cost of acquisition or construction less accumulated depreciation and impairment losses, if any. The cost of an item of property, plant and equipment comprises its purchase price and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price.

### **Depreciation**

Depreciation in respect of all the assets is provided on written down value method over their useful lives, as estimated by the management. Useful lives so estimated are in line with the useful lives indicated by Schedule II of the Act except for lease hold building and lease hold improvements which have been depreciated over the useful lives of the assets or the period of underlying lease agreement, whichever is lower. Depreciation is charged on a pro-rata basis for assets purchased/sold during the year.

Depreciation method, useful lives and residual values are reviewed at each financial period-end and adjusted if appropriate. Based on the management evaluation the useful lives as given below best represents the period over which management expects to use these assets.

The estimated useful life of main category of property plant and equipment and intangible assets are:-

| <b>Class of assets</b> | <b>Estimated useful life (years)</b> |
|------------------------|--------------------------------------|
| Freehold buildings     | 30 years                             |
| Plant and equipment    | 15 years                             |
| Furniture and fitting  | 10 years                             |
| Office equipment       | 5 years                              |
| Vehicles               | 8 years                              |

Leasehold improvements are amortised over their useful life or lease term, whichever is lower.

### **Capital work-in-progress**

Expenditure incurred during the period of construction, including all direct and indirect expenses, incidental and related to construction, is carried forward and on completion, the costs are allocated to the respective property, plant and equipment. Capital work-in-progress also includes assets pending installation and not currently available for intended use.

### **Intangible assets**

#### **Recognition and measurement**

Intangible assets that are acquired by the Group are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less accumulated amortisation and accumulated impairment loss, if any.

#### **Subsequent expenditure**

Subsequent expenditures related to an item of intangible assets are added to its book value only if it is probable that future economic benefits associated with the item will flow to the enterprise and the cost of the item can be measured reliably.

## Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight line method, and is included in depreciation and amortisation in the Consolidated Statement of Profit and Loss.

| Class of assets   | Estimated useful life (years) |
|-------------------|-------------------------------|
| Computer software | 5 years                       |

Amortisation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

## Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### Initial Recognition and measurement

The Group recognises financial assets and liabilities when it becomes a party to the contractual provisions of the instrument.

Financial assets are recognised at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets that are not at fair value through profit or loss ('FVTPL') are added to the fair value on initial recognition.

Financial liabilities are classified as measured at amortised cost or FVTPL. The fair value of a financial liability at initial recognition is normally the transaction price. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in the Statement of Profit and Loss or Other Comprehensive Income. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through Other Comprehensive Income ('FVOCI').

In accordance with Ind AS 113 'Fair Value Measurement', the fair value of a financial liability with a demand feature is not less than the amount payable on demand, discounted from the first date that the amount could be required to be paid.

The Company's financial liabilities include trade payables, other payables and loans and borrowings including bank overdrafts.

### (i) Non-derivative financial asset Subsequent measurement

#### *Financial assets at amortised cost*

"A 'financial asset' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding."

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

Financial assets are measured at 'Fair value through other comprehensive income' (FVOCI) if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amounts are taken through OCI, except for the recognition of impairment gains or losses and interest income and foreign exchange gains and losses, which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at 'Fair value through the statement of profit and loss' (FVPL).

#### *Investments in equity instruments of others*

These are measured at fair value through other comprehensive income ('FVOCI')

#### **De-recognition of financial assets**

A financial asset is de-recognised when the contractual rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset.

#### **(ii) Non-derivative financial liabilities** **Subsequent measurement**

Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

#### **De-recognition of financial liabilities**

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Consolidated Statement of Profit and Loss.

#### **(iii) Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

#### **(iv) Derivative financial instruments and hedge accounting**

The Group holds derivative financial instruments to hedge its exposures towards fluctuation in gold prices.

#### **Fair value hedge**

The Group designates non-derivative financial liabilities as hedging instruments to mitigate the risk of change in fair value of hedged item due to movement in commodity prices. Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the Consolidated Statement of Profit and Loss with an adjustment to the carrying value of the hedged item. The Group has designated the borrowings

pertaining to gold taken on loan from banks ('unfixed gold') as a fair value hedge to the corresponding gold inventory purchased on loan.

## **Inventories**

Raw material - Lower of cost or net realisable value. Cost is determined on weighted average basis. Cost of raw material comprises of cost of purchase and other costs incurred in bringing the inventory to their present condition and location.

Finished goods - Lower of cost or net realisable value. Cost is determined on weighted average basis, includes direct material and labour expenses and appropriate proportion of manufacturing overheads.

Stock-in-trade - Lower of cost or net realisable value. Cost is determined on weighted average basis and comprises of cost of purchase and other costs incurred in bringing the inventory to their present condition and location.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

## **Employee benefits**

The Group's obligations towards various employee benefits have been recognised as follows:

### **Post employment benefits**

#### **(i) Short-term benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

#### **(ii) Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Group makes specified monthly contributions for employee provident fund to Government administered provident fund scheme, which are defined contribution plans. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the Consolidated Statement of Profit and Loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

## **Revenue recognition**

### **Revenue from sale of goods and rendering of services**

Revenue from contracts with customers (including franchisees) includes revenue for sale of goods and provision of services. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group determines at contract inception whether each performance obligation will be satisfied (i.e. control will be transferred) over time or at a point in time.

Revenue from contract with customers is recognised when the Group satisfies performance obligation by transferring promised goods and services to the customer. Performance obligations may be satisfied at a point of time or over a period of time. Performance obligations satisfied over a period of time are recognised as per the term of relevant contractual agreements/ arrangements. Performance obligations are said to be satisfied at a point of time when the customer obtains controls of the asset.

Revenue is recognised based on the price specified in the contract, net of the line discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A contract liability is recognised for expected discounts as per Ind AS 115, payable to customers in relation to sales made until the end of the reporting period. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due, which are otherwise recorded as contract assets.

No significant element of financing is deemed present as the sales are made with a credit term only given to franchisee customers to an extent of 4 months, which is consistent with market practice. The Group's obligation to replace/ repair jewellery under the standard terms is recognised as contract asset, refer note 14.

Upfront/one time fees/charges received from franchises at the time of entering into such agreement/ contract is recognised as and when earned.

### **Customer loyalty programme**

The Group has a customer loyalty programme for its customers. The Group grants loyalty points to customers as part of a sales transaction and customer referrals which allows them to accumulate and redeem those credit points and adjust them in future. The Group allocates a portion of the consideration received to loyalty points. This allocation is based on the relative stand-alone selling prices. The amount allocated to the loyalty programme is deferred, and is recognised as revenue when loyalty points are redeemed or the likelihood of the customer redeeming the loyalty points becomes remote.

### **Leases**

#### **Company as a lessee – Right of use assets and lease liabilities**

A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

#### *Classification of leases*

The Group enters into leasing arrangements for various assets. The assessment of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to extend/purchase etc.

#### *Recognition and initial measurement of right of use assets*

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease (if any), and any lease payments made in advance of the lease commencement date (net of any incentives received).

#### *Subsequent measurement of right of use assets*

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

#### *Lease liabilities*

At lease commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed

payments (including in substance fixed payments) and variable payments based on an index or rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset.

The Group has elected to account for short-term leases using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these short-term leases are recognised as an expense in the Consolidated Statement of Profit and Loss on a straight-line basis over the lease term.

Further, the Group has also elected to apply another practical expedient whereby it has assessed all the rent concessions occurring as a direct consequence of the COVID-19 pandemic, basis the following conditions prescribed under the standard:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before the 30 June 2022; and
- there is no substantive change to other terms and conditions of the lease.

If all the rent concessions meet the above conditions, then, the related rent concession has been recognised in the Consolidated Statement of Profit and Loss.

### **Borrowing cost**

Borrowing cost includes interest expense as per effective interest rate (EIR). Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for its intended use or sale. All other borrowing costs are expensed in the period they occur.

### **Taxes**

Tax expense comprises current and deferred tax. Current and deferred tax is recognised in the Consolidated Statement of Profit and Loss except to the extent that it relates to items recognised directly in equity or Other Comprehensive Income ('OCI').

The current income-tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period where the holding company and its subsidiaries operates respectively and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred tax is provided in full, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the Consolidated Financial Statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred tax liability is settled. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

### **Cash and cash equivalents**

Cash and cash equivalents include cash and cash-on-deposit with banks. The Group considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

### **Cash flow statement**

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

### **Earnings per equity share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### **Operating segment**

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial Statement is available. All operating segments' operating results are reviewed regularly by the Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance. Based on such assessment, the Group currently has only one operating segment and two geographical segments viz. Domestic Market and International Market.

### **Provisions, contingent liabilities and contingent assets**

Provisions are recognized when the Group has a present (legal or constructive) obligation as a result of past events, for which it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions required to settle are reviewed regularly and are adjusted where necessary to reflect the current best estimates of the obligation. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed unless the likelihood of an outflow of resources is remote and there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

Contingent assets are disclosed only when inflow of economic benefits therefrom is probable and recognize only when realization of income is virtually certain.

### **Accounting judgments, estimates and assumptions**

#### **Use of estimates and judgements**

The preparation of Consolidated Financial Statement requires management to make judgments, estimates and assumptions that may impact the application of accounting policies and the reported value of assets, liabilities, income, expenses and related disclosures concerning the items involved as well as contingent assets and liabilities at the balance sheet date. The estimates and management's judgments are based on previous experience and other factors considered reasonable and prudent in the circumstances. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In order to enhance understanding of the financial statements, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the Consolidated Financial Statement is as under:

Estimates and judgements are continuously evaluated. They are based on historical experience and other factors including expectation of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

#### **Useful lives of property, plant and equipment**

The Group uses its technical expert along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

Under the terms of the related agreement, the lease period may be extended at the option of the lessee. Assets constructed on such leasehold properties are depreciated over their useful life or respective lease terms, whichever is lower.

#### **Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using certain valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as volatility risk, credit risk and volatility.

#### **Recognition of deferred tax assets**

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Group's future taxable income (supported by reliable evidence) against which the deferred tax assets can be utilized.

#### **Evaluation of indicators for impairment of assets**

The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

#### **Contingent liabilities**

At each balance sheet date basis the management's judgment, changes in facts and legal aspects, the Group assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

#### **Leases**

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of leases ('Ind AS 116'). Identification of a lease requires significant judgment. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

#### **OTHER SIGNIFICANT ACCOUNTING POLICIES**

**Current/ non-current classification:**

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Act.

*Assets*

An asset is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realised within 12 months after the reporting date; or
- (d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

*Liabilities*

A liability is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be settled in the Group's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within 12 months after the reporting date; or
- (d) the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

**Impairment****(i) Impairment of financial instruments: financial assets**

The Group assesses on a forward looking basis the expected credit losses associated with its financial assets and the impairment methodology depends on whether there has been a significant increase in credit risk.

*Trade receivables*

In respect of trade receivables, the Group applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

*Other financial assets*

In respect of its other financial assets, the Group assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Group measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Group uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Group compares the risk of a default occurring on the financial asset

as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Group assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

**(ii) Impairment of non-financial assets**

Assessment is done at each balance sheet date as to whether there is any indication that an asset may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets and group of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount.

Recoverable amount is higher of an asset's or cash generating unit's selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each balance sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

**Employee benefits**

**Defined benefit plans**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Group's gratuity benefit scheme is a defined benefit plan. The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in Other Comprehensive Income (OCI). The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the Consolidated Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in Consolidated Statement of Profit and Loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

When the benefits of a plan are improved, the portion of the increased benefit related to past service by employees is recognised in Consolidated Statement of Profit and Loss on a straight-line basis over the average period until the benefits become vested.

**Other long-term employees benefits**

The Group's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return of their service in the current and prior periods; that

benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurement gains or losses are recognised in profit or loss in the period in which they arise.

#### Compensated absences

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilised wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Group records an obligation for such compensated absences (which includes privilege leave and sick leave) in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method. Remeasurements gains and losses are recognised in the Consolidated Statement of Profit and Loss in the period in which they arise. The Group has classified all the compensated absence as current as all liability if arises shall be payable is 12 months.

#### Foreign currency

##### *Functional and presentation currency*

Items included in the Consolidated Financial Statements of the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Consolidated Financial Statement have been prepared and presented in Indian Rupees (INR), which is the Group's functional and presentation currency.

##### *Transactions and balances*

Foreign currency transactions are recorded in the functional currency, by applying to the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Foreign currency monetary items outstanding at the balance sheet date are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the Consolidated Statement of Profit and Loss in the year in which they arise.

#### Recognition of dividend income and interest income

Dividend income is recognised in the Consolidated Statement of Profit and Loss on the date on which the Group's right to receive payment is established. Interest income or expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability. In calculating interest income, the interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability.

#### Property, plant and equipment and capital work-in-progress

##### Subsequent expenditure

Subsequent expenditures related to an item of property, plant and equipment are added to its book value only if it is probable that future economic benefits associated with the item will flow to the enterprise and the cost of the item can be measured reliably.

### **Derecognition**

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the Consolidated Statement of Profit and Loss.

### **Accounting judgments, estimates and assumptions**

#### **Use of estimates and judgements**

#### **Defined benefit obligation ('DBO')**

Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

#### **Share based payment**

At the end of each period, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in the Consolidated Statement of Profit and Loss, with a corresponding adjustment to the equity.

#### **Equity investment**

Equity investments in subsidiaries are measured at cost. The investments are reviewed at each reporting date to determine whether there is any indication of impairment considering the provisions of Ind AS 36 'Impairment of Assets'. If any such indication exists, policy for impairment of non-financial assets is followed.

#### **Share based payments - Employee Stock Option Scheme (ESOP's)**

The fair value of options granted under the employee stock option plan is recognized as an employee benefits expense with a corresponding increase in the equity. The total amount to be expensed is determined by reference to the fair value of the options. The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in the Consolidated Statement of Profit and Loss, with a corresponding adjustment to the equity. Upon exercise of share options, the proceeds received are allocated to the share capital up to the par value of the shares issued with any excess being recorded as securities premium.

#### **Share issue expenses**

Share issue expenses are adjusted against the Securities Premium Account as permissible under Section 52 of the Companies Act, 2013, to the extent any balance is available for utilisation in the Securities Premium Account. Share issue expenses in excess of the balance in the Securities Premium Account is expensed in the Statement of Profit and Loss.

### **CHANGES IN ACCOUNTING POLICIES**

There have been no changes in our accounting policies in the last three Fiscals and in the six months ended September 30, 2024.

## RESULTS OF OPERATIONS

The following table sets forth select financial data from our statement of profit and loss for the six months ended September 30, 2024 and Fiscal 2024, 2023 and 2022, the components of which are also expressed as a percentage of total income for such period/ years.

|       | Particulars                                                 | Six months ended<br>September 30, 2024<br>(unaudited) |               | Fiscal 2024<br>(audited) |                | Fiscal 2023<br>(audited) |                | Fiscal 2022<br>(audited) |                |
|-------|-------------------------------------------------------------|-------------------------------------------------------|---------------|--------------------------|----------------|--------------------------|----------------|--------------------------|----------------|
|       |                                                             | ₹ in million                                          | %             | ₹ in million             | %              | ₹ in million             | %              | ₹ in million             | %              |
| I.    | Revenue from operations                                     | 29,043.76                                             | 99.07%        | 52,414.43                | 99.20%         | 40,774.04                | 99.24%         | 35,346.41                | 99.64%         |
| II.   | Other income                                                | 272.02                                                | 0.93%         | 422.40                   | 0.80%          | 311.36                   | 0.76%          | 127.69                   | 0.36%          |
| III.  | <b>Total income (I + II)</b>                                | <b>29,315.78</b>                                      | <b>100%</b>   | <b>52,836.83</b>         | <b>100%</b>    | <b>41,085.40</b>         | <b>100.00%</b> | <b>35,474.10</b>         | <b>100.00%</b> |
| IV.   | <b>Expenses</b>                                             |                                                       |               |                          |                |                          |                |                          |                |
|       | Cost of materials consumed                                  | 23,457.60                                             | 80.02%        | 38,971.70                | 73.76%         | 29,722.19                | 72.34%         | 28,335.51                | 79.88%         |
|       | Purchases of stock-in-trade                                 | 7,420.17                                              | 25.31%        | 10,084.14                | 19.09%         | 8,460.78                 | 20.59%         | 5,643.80                 | 15.91%         |
|       | Changes in inventories of finished goods and stock-in-trade | (6,100.49)                                            | (20.81%)      | -4,655.31                | (8.81%)        | (3,963.63)               | (9.65%)        | (4,173.91)               | (11.77%)       |
|       | Employee benefits expense                                   | 672.95                                                | 2.30%         | 1,112.29                 | 2.11%          | 933.80                   | 2.27%          | 747.67                   | 2.11%          |
|       | Finance costs                                               | 647.87                                                | 2.21%         | 1,081.03                 | 2.05%          | 860.53                   | 2.09%          | 697.02                   | 1.96%          |
|       | Depreciation and amortisation expenses                      | 359.10                                                | 1.22%         | 601.09                   | 1.14%          | 455.53                   | 1.11%          | 421.15                   | 1.19%          |
|       | Other expenses                                              | 1,986.91                                              | 6.78%         | 3,146.51                 | 5.96%          | 2,454.68                 | 5.97%          | 2,021.50                 | 5.70%          |
|       | <b>Total expenses (IV)</b>                                  | <b>28,444.11</b>                                      | <b>97.03%</b> | <b>50,341.45</b>         | <b>95.28%</b>  | <b>38,923.88</b>         | <b>94.74%</b>  | <b>33,692.74</b>         | <b>94.98%</b>  |
| V.    | Profit before tax (III - IV)                                | 871.67                                                | 2.97%         | 2,495.38                 | 4.72%          | 2,161.52                 | 5.26%          | 1,781.36                 | 5.02%          |
| VI.   | Tax expenses                                                |                                                       |               |                          |                |                          |                |                          |                |
|       | Current Tax                                                 |                                                       |               |                          |                |                          |                |                          |                |
|       | -Current years                                              | 275.97                                                | 0.94%         | 728.02                   | 1.38%          | 634.74                   | 1.54%          | 506.71                   | 1.43%          |
|       | -Earlier years                                              | 0                                                     | 0             | 0                        | 0              | (21.38)                  | (0.05%)        | 0.57                     | 0.00%          |
|       | Deferred tax credit                                         | (38.24)                                               | (0.13%)       | -42.68                   | (0.08%)        | (36.63)                  | (0.09%)        | (16.94)                  | (0.05%)        |
|       | <b>Total tax expenses (VI)</b>                              | <b>237.73</b>                                         | <b>0.81%</b>  | <b>685.34</b>            | <b>1.30%</b>   | <b>576.73</b>            | <b>1.40%</b>   | <b>490.34</b>            | <b>1.38%</b>   |
| VII.  | <b>Profit after tax for the period /year (V - VI)</b>       | <b>633.94</b>                                         | <b>2.16%</b>  | <b>1,810.04</b>          | <b>3.43%</b>   | <b>1,584.79</b>          | <b>3.86%</b>   | <b>1,291.02</b>          | <b>3.64%</b>   |
| VIII. | <b>Other Comprehensive</b>                                  | <b>15.48</b>                                          | <b>0.05%</b>  | <b>-20.59</b>            | <b>(0.04%)</b> | <b>(4.45)</b>            | <b>(0.01%)</b> | <b>8.09</b>              | <b>0.02%</b>   |

|     |                                                              | Six months ended<br>September 30, 2024<br>(unaudited) |       | Fiscal 2024<br>(audited) |       | Fiscal 2023<br>(audited) |       | Fiscal 2022<br>(audited) |       |
|-----|--------------------------------------------------------------|-------------------------------------------------------|-------|--------------------------|-------|--------------------------|-------|--------------------------|-------|
|     | Particulars                                                  | ₹ in million                                          | %     | ₹ in million             | %     | ₹ in million             | %     | ₹ in million             | %     |
|     | Income for the period/ year                                  |                                                       |       |                          |       |                          |       |                          |       |
| IX. | Total comprehensive income for the period/ year (VII + VIII) | 649.42                                                | 2.22% | 1,789.45                 | 3.39% | 1,580.34                 | 3.85% | 1,299.11                 | 3.66% |

## Six months ended September 30, 2024

### Income

#### *Total Income*

Our total income was ₹ 29,315.78 million for the six months ended September 30, 2024.

#### *Revenue from operations*

Our revenue from operations was ₹ 29,043.76 million for the six months ended September 30, 2024.

#### *Other Income*

Our other income was ₹ 272.02 million for the six months ended September 30, 2024.

#### *Total expenses*

Our total expenses was ₹ 28,444.11 million for the six months ended September 30, 2024.

#### *Cost of Materials Consumed*

Our cost of materials consumed was ₹ 23,457.60 million for the six months ended September 30, 2024.

#### *Purchases of stock-in-trade*

Our cost of purchases of stock-in-trade was ₹7,420.17 million for the six months ended September 30, 2024.

#### *Changes in inventories of finished goods and stock-in-trade*

Changes in inventories of finished goods and stock-in trade was ₹ (6,100.49) million for the six months ended September 30, 2024.

#### *Employee Benefit Expenses*

Our employee benefit expenses was ₹ 672.95 million for the six months ended September 30, 2024.

#### *Finance costs*

Our finance costs was ₹ 647.87 million for the six months ended September 30, 2024.

#### *Depreciation and amortisation expense*

Our depreciation and amortisation expense were ₹ 359.10 million for the six months ended September 30, 2024.

#### *Other Expenses*

Other expenses were ₹ 1,986.91 million for the six months ended September 30, 2024.

#### *Profit before tax*

Our profit before tax was ₹ 871.67 million for the six months ended September 30, 2024.

#### *Tax Expense*

Our current tax expense was ₹ 275.97 million for the six months ended September 30, 2024, and deferred tax credit was ₹ (38.24) million for the six months ended September 30, 2024. Accordingly, the total tax expense was ₹ 237.73 million for the six months ended September 30, 2024

#### *Profit after tax for the period*

Our profit after tax was ₹ 633.94 million for the six months ended September 30, 2024.

### **FISCAL 2024 COMPARED TO FISCAL 2023**

#### **Key developments**

We added 18 new Company Operated Company owned showrooms and 6 new Franchisee showrooms during the Fiscal 2024 while one Franchisee Showroom added earlier got converted to Company Operated Showroom. We have launched new brand “Sennes” that mainly retails lab grown diamonds, leather bags and other leather products. We became one of the first Indian jewellery brand to join ONDC Network. We started operations at our first International Store in Dubai, United Arab Emirates.

#### **Income**

##### *Revenue from operations:*

Our overall revenue from operations increased to ₹ 52,414.43 million for Fiscal 2024 from ₹ 40,774.04 million for Fiscal 2023, representing an increase of 28.55%. This increase in our revenue from operations can be attributed to the following reasons:

##### *Sale of products*

Our income from sale of products increased to ₹ 52,316.89 million for Fiscal 2024 from ₹ 40,697.48 million for Fiscal 2023, representing an increase of ₹11,619.41 million and 28.55%. The increase was primarily due to increase in the sale of our gold jewellery and diamond jewellery. The increase in our sale of products can also be attributed to us opening 18 new COCO showrooms in Fiscal 2024,

##### *Other operating revenue*

Our other operating revenue consisting of franchisee fees increased by ₹ 20.98 million to ₹ 97.54 million for Fiscal 2024 from ₹ 76.56 million for Fiscal 2023, mainly due to opening of 6 new franchisee showrooms in Fiscal 2024.

##### *Other income*

Our other income increased by ₹ 111.04 million to ₹ 422.40 million for Fiscal 2024 from ₹ 311.36 million for Fiscal 2023, representing an increase of 35.66%. This increase in other income was primarily due to increase in interest income from bank deposits of ₹112.76 million to ₹ 234.98 million in Fiscal 2024 from ₹ 122.22 million in Fiscal 2023 due to increase in investment in bank deposits and margin for working capital facilities, Jewellery Purchase Scheme

Compliance, gold hedging margin etc. This was offset with decrease of ineffective portion change in fair value of metals of ₹ 94.50 million in Fiscal 2023 to ₹ 53.27 million in Fiscal 2024 and decrease in interest income on financial assets to ₹ 13.57 million in Fiscal 2024 from ₹ 29.96 million in Fiscal 2023.

## **Expenditure**

### *Cost of materials consumed*

Our cost of materials consumed increased by ₹ 9,249.51 million to ₹ 38,971.70 million in Fiscal 2024 from ₹ 29,722.19 million in Fiscal 2023 in line with an increase of our sale of products. This rose marginally due to competitive intensity, product mix changes, entry into new markets and higher discounts and offers leading to reduction in gross margin.

### *Purchases of stock-in-trade*

Our purchase of stock-in-trade increased by ₹ 1,623.36 million to ₹ 10,084.14 million for Fiscal 2024 from ₹ 8,460.78 million for Fiscal 2023, representing an increase of 19.19%, representing an increase due to launch of new Showrooms, increase of inventory at existing showrooms and increase in stock for festival season in India.

### *Changes in inventories of finished goods and stock-in-trade*

Change in inventories of finished goods and stock in trade amounted to ₹ (4,655.31) million for Fiscal 2024 in comparison to ₹ (3,963.63) million for Fiscal 2023. This was primarily on account of new store additions and gold price impact, while average inventory/store remained rangebound. By carefully anticipating and preparing for this period, the company aimed to seize lucrative business opportunities.

### *Employee benefits expenses*

Employee benefits expenses increased by ₹ 178.49 million to ₹ 1,112.29 million for Fiscal 2024 from ₹ 933.80 million for Fiscal 2023, representing an increase of 19.11%, which was primarily on account of an increase in our expenses towards salaries and wages to ₹ 972.33 million for Fiscal 2024 from ₹ 829.62 million for Fiscal 2023 due to increase in number of employees to 2,464 in Fiscal 2024 from 2,138 in Fiscal 2023 and also due to salary and wages increments in the ordinary course as increased staff welfare expenses of ₹ 54.34 million for Fiscal 2024 from ₹ 39.69 million for Fiscal 2023. Manpower increase in Fiscal 2024 was due to the new COCO showroom additions as well as strengthening of manpower at the corporate and regional level.

### *Finance costs*

Finance cost increased by ₹ 220.50 million to ₹ 1,081.03 million for Fiscal 2024 from ₹ 860.53 million for Fiscal 2023, representing an increase of 25.62%. This increase in our finance costs was primarily due to the increased borrowings for enhanced inventory requirement of the new and existing stores. Interest on our working capital loans and term loans have increased by ₹ 81.02 million to ₹ 459.57 million in Fiscal 2024 from ₹ 378.55 million in Fiscal 2023. The interest cost on gold metal loan have increased by ₹ 49.67 million to ₹ 213.13 million in Fiscal 2024 from ₹ 163.46 million in Fiscal 2023. Our finance cost for Fiscal 2024 also includes the interest on lease liabilities under Ind AS 116, amounting to ₹ 284.77 million, which in Fiscal 2023 was ₹ 219.01 million.

### *Depreciation and Amortisation Expenses*

Depreciation and amortisation expenses increased by ₹ 145.56 million to ₹ 601.09 million for Fiscal 2024 from ₹ 455.53 million for Fiscal 2023, representing an increase of 31.95 %, primarily on account of increase in depreciation of property, plant and equipment being ₹ 226.46 million for Fiscal 2024 from ₹ 166.08 million for Fiscal 2023, along with increase in depreciation of right to use assets under Ind AS 116, being ₹ 357.00 million for Fiscal 2024 from ₹ 282.41 million for Fiscal 2023

### *Other expenses*

Other expenses increased by ₹ 691.83 million to ₹ 3,146.51 million for Fiscal 2024 from ₹ 2,454.68 million for Fiscal 2023, representing an increase of 28.18%, mainly on account of increase of advertising and sales promotion by ₹ 223.37 million to ₹ 1,033.73 million in Fiscal 2024 from ₹ 810.36 million in Fiscal 2023 owing to increased marketing

spend in view of competitive intensity to retain and grow our customer base across all geographic regions. Other expenses include increase in job work charges by ₹ 195.41 million to ₹ 847.37 million in Fiscal 2024 from ₹ 651.96 million in Fiscal 2023 and legal & professional charges increased by ₹ 140.71 million to ₹ 193.22 million in Fiscal 2024 from ₹ 52.51 million in Fiscal 2023. Meanwhile, the fair value loss on commodity hedging contracts was ₹ Nil in Fiscal 2024, as opposed to ₹ 54.06 million in Fiscal 2023. Additionally, repairs and maintenance charges decreased from ₹ 205.03 million in Fiscal 2023 to ₹ 187.31 million in Fiscal 2024.

#### *Profit before tax*

For the reasons discussed above, profit before tax increased by 15.45% to ₹ 2,495.38 million in Fiscal 2024 compared to ₹ 2,161.52 million in Fiscal 2023.

#### *Tax expenses*

Our total tax expenses increased by ₹ 108.61 million to ₹ 685.34 million for Fiscal 2024 from ₹ 576.73 million for Fiscal 2023. Our current tax expense increased by ₹ 93.28 million to ₹ 728.02 million for Fiscal 2024 from ₹ 634.74 million for Fiscal 2023. Our deferred tax expenses decreased by ₹ 6.05 million to (₹ 42.68 million) for Fiscal 2024 from (₹ 36.63 million) for Fiscal 2023.

#### *Profit after tax for the year*

Primarily due to the reasons discussed above, our profit for the year increased by ₹ 225.25 million or 14.21% to ₹ 1,810.04 million for Fiscal 2024 from ₹ 1,584.79 million for Fiscal 2023.

#### *Other comprehensive income / (loss) for the year*

Our other comprehensive loss was ₹ (20.59) million for Fiscal 2024 as compared to other comprehensive loss of ₹ (4.45) million for Fiscal 2023. The loss in Fiscal 2024 was mainly due to re-measurement loss on defined benefit plans (net of income tax obligation thereon), being our contribution to gratuity funds, of (₹ 18.86 million) in Fiscal 2024 from re-measurement loss on defined benefit plans (₹ 5.21) million for Fiscal 2023.

#### *Total comprehensive income for the year*

On account of the above, our total comprehensive income for Fiscal 2024 increased by 13.23% to ₹ 1,789.45 million in Fiscal 2024 as compared to ₹ 1,580.34 million for Fiscal 2023.

### **FISCAL 2023 COMPARED TO FISCAL 2022**

#### **Key developments**

We added five new Company Operated and six new Franchisee showrooms during the Fiscal 2023 while two Franchisee Showrooms added earlier were shut down. We also received recognitions: ISO/IEC 27001:2013 by LRQA certifying our management system; Great Place to Work ® certified testifying us as a great place to work at. Additionally, we have received the “Qualified Jeweller” status from IIBX to directly import gold. Further, we have incorporated an entity in Dubai – Senco Global Jewellery Trading LLC- to strengthen our B2B export business and for tapping the Gulf Cooperation Council jewellery market.

#### **Income**

##### *Revenue from operations:*

Our overall revenue from operations increased to ₹ 40,774.04 million for Fiscal 2023 from ₹ 35,346.41 million for Fiscal 2022, representing an increase of 15.36%. This increase in our revenue from operations can be attributed to the following reasons:

##### *Sale of products*

Our income from sale of products increased to ₹ 40,697.48 million for Fiscal 2023 from ₹ 35,253.92 million for Fiscal 2022, representing an increase of 15.44% primarily due to increase in gold prices coupled with volume increase of diamond cartage and gold as well. This increase was primarily on account of growth in sale of gold and studded jewellery from our existing 127 showrooms and additional revenue from 5 new company owned showrooms and net 4 new franchisee showrooms. Our revenue from sale of products from the northern regions increased by 37.02% from ₹ 3,261.28 million in Fiscal 2022 to ₹ 4,468.61 million in Fiscal 2023. Followed by southern and western regions which increased by 44.13% from ₹ 1,191.23 million in Fiscal 2022 to ₹ 1,716.89 million in Fiscal 2023. Further we also achieved substantial improvement in the stud ratio in North and West, leading to improvement in overall stud ratio.

#### *Other operating revenue*

Our other operating revenue consisting of franchisee fees reduced from ₹ 92.49 million for Fiscal 2022 to ₹ 76.56 million for Fiscal 2023, representing a decrease of 17.22%, mainly due to opening of 6 new franchisee showrooms in Fiscal 2023 as compared to 7 new franchisee showrooms in Fiscal 2022.

#### *Other income*

Our other income increased to ₹ 311.36 million for Fiscal 2023 from ₹ 127.69 million for Fiscal 2022, representing an increase of 143.84%. This increase in other income was primarily due to income from ineffective portion change in fair value of metals of ₹ 94.50 million in Fiscal 2023 as compared to ₹ Nil in Fiscal 2022 and an increase in interest income on bank deposits to ₹ 122.22 million in Fiscal 2023 from ₹ 42.27 million in Fiscal 2022.

### **Expenditure**

#### *Cost of materials consumed*

Our cost of materials consumed increased to ₹ 29,722.19 million in Fiscal 2023 from ₹ 28,335.51 million in Fiscal 2022 in line with an increase of our sales.

#### *Purchases of stock-in-trade*

Our purchase of stock-in-trade increased to ₹ 8,460.78 million for Fiscal 2023 from ₹ 5,643.80 million for Fiscal 2022, representing an increase of 49.91% due to increase in the overall stock maintained at our Showrooms in line with an increase of our sales

#### *Changes in inventories of finished goods and stock-in-trade*

Change in inventories of finished goods and stock in trade amounted to ₹ (3,963.63) million for Fiscal 2023 in comparison to ₹ (4,173.91) million for Fiscal 2022 This was primarily on account of new store additions and also due to gold price impact, while average inventory/store remained rangebound By carefully anticipating and preparing for this period, the company aimed to seize lucrative business opportunities.

#### *Employee benefits expenses*

Employee benefits expenses increased to ₹ 933.80 million for Fiscal 2023 from ₹ 747.67 million for Fiscal 2022, representing an increase of 24.89%, which was primarily on account of an increase in our expenses towards salaries and wages to ₹ 829.62 million for Fiscal 2023 from ₹ 691.77 million for Fiscal 2022 due to increase in number of employees from 1,864 in Fiscal 2022 to 2,138 in Fiscal 2023 and also due to salary and wages increments in the ordinary course as increased staff welfare expenses of ₹ 39.69 million for Fiscal 2023 from ₹ 21.89 million for Fiscal 2022. Manpower increase in Fiscal 2023 was due to the new COCO stores additions as well as strengthening of manpower at the corporate and regional level.

#### *Finance costs*

Finance cost increased by ₹ 163.51million to ₹ 860.53 million for Fiscal 2023 from ₹ 697.02 million for Fiscal 2022. This increase in our finance costs was primarily due to the increased borrowings for enhanced inventory requirement of the new and existing stores. Our working capital loans and term loans have increased by ₹ 39.04 million to ₹ 378.55

million in Fiscal 2023 from ₹ 339.51 million in Fiscal 2022. The interest cost on gold metal loan have increased by ₹54.48 million to ₹163.46 million in Fiscal 2023 from ₹108.98 million in Fiscal 2022. Our finance cost for Fiscal 2023 also includes the interest on lease liabilities under Ind AS 116, amounting to ₹ 219.01 million, which in Fiscal 2022 was ₹ 190.41 million.

#### *Depreciation and Amortisation Expenses*

Depreciation and amortisation expenses increased by ₹ 34.38 million to ₹ 455.53 million for Fiscal 2023 from ₹ 421.15 million for Fiscal 2022, representing an increase of 8.16%, primarily on account of increase in depreciation on right to use assets under Ind AS 116, being ₹ 282.41 million for Fiscal 2023 from ₹ 241.60 million for Fiscal 2022 as offset by a decrease of ₹ 4.91 million towards depreciation of property, plant and equipment, to ₹ 166.08 million for Fiscal 2023 from ₹ 170.99 million for Fiscal 2022.

#### *Other expenses*

Other expenses increased by ₹ 433.18 million to ₹ 2,454.68 million for Fiscal 2023 from ₹ 2,021.50 million for Fiscal 2022, representing a increase of 21.43%, mainly on account of increase of advertising and sales promotion by ₹ 304.54 million to ₹ 810.36 million in Fiscal 2023 from ₹ 505.82 million in Fiscal 2022 owing to increased marketing spend in view of competitive intensity to retain and grow our customer base across all geographic regions. Other expenses include the fair value impact on commodity hedging contracts was ₹54.06 million in Fiscal 2023, compared to ₹ Nil in Fiscal 2022. Meanwhile, the ineffective portion of the change in fair value of gold loans was ₹ Nil in Fiscal 2023, as opposed to ₹94.89 million in Fiscal 2022. Additionally, repairs and maintenance charges increased from ₹ 146.28 million in Fiscal 2022 to ₹ 205.03 million in Fiscal 2023.

#### *Profit before tax*

For the reasons discussed above, profit before tax increased by 21.34% to ₹ 2,161.52 million in Fiscal 2023 compared to ₹ 1,781.36million in Fiscal 2022.

#### *Tax expenses*

Our total tax expenses increased by ₹ 86.39 million to ₹ 576.73 million for Fiscal 2023 from ₹ 490.34 million for Fiscal 2022. Our current tax expense increased by ₹ 128.03 million to ₹ 634.74 million for Fiscal 2023 from ₹ 506.71million for Fiscal 2022. Our deferred tax expenses decreased by ₹ 19.69 million to (₹ 36.63 million) for Fiscal 2023 from (₹ 16.94 million) for Fiscal 2022.

#### *Profit after tax for the year*

Primarily due to the reasons discussed above, our profit for the year increased by ₹ 293.77 million or 22.75% to ₹ 1,584.79 million for Fiscal 2023 from ₹ 1,291.02 million for Fiscal 2022.

#### *Other comprehensive income / (loss) for the year*

Our other comprehensive income for the year was ₹ (4.45) million for Fiscal 2023 as compared to other comprehensive loss of ₹ 8.09 million for Fiscal 2022. The loss in Fiscal 2023 was due to re-measurement loss on defined benefit plans, being our contribution to gratuity funds, of (₹ 5.21 million) in Fiscal 2023 from re-measurement gain on defined benefit plans ₹ 3.90 million for Fiscal 2022, along with income tax obligation thereon.

#### *Total comprehensive income for the year*

On account of the above, our total comprehensive income for the year was ₹ 1,580.34 million for Fiscal 2023 up from ₹ 1,299.11 million for Fiscal 2022.

## LIQUIDITY AND CAPITAL RESOURCES

As of March 31, 2024, our cash and cash equivalents were ₹ 185.16 million.

Historically, our primary liquidity requirements have been to finance our working capital requirements. Our business requires a substantial amount of working capital to finance the purchase of gold, diamonds, platinum, silver and other inventory. As on November 30, 2024, our Company, on a consolidated basis, has a total working capital sanction limit amounting to ₹ 31,290.00 million, which includes: (i) consortium sanctioned limit aggregating to ₹ 9,000.00 million which includes cash credit/ working capital demand loan facilities amounting to ₹ 7,700.00 million having interchangeability of ₹ 2,510.00 million as gold metal loan (earmark cash credit) and gold metal loan limit of ₹ 1,300.00 million having interchangeability of ₹ 760.00 million as cash credit/working capital demand loan; (ii) working capital facility sanctioned outside consortium as cash credit/ working capital demand loan amounting to ₹ 7,280 million having interchangeability of ₹ 3,130.00 million as gold metal loan (earmark cash credit) and gold metal loan limit of ₹ 1,450.00 million having interchangeability of ₹ 240.00 million as cash credit/working capital demand loan and (iii) working capital facility outside consortium as gold metal loan limit amounting to ₹ 13,210.00 million. For further information, see “*Financial Information*” on page 316.

We avail majority of our working capital facilities from various bullion banks. We source gold for our operations from bullion banks and benefit from significantly lower interest rates under prevailing gold loan facilities as compared to the interest rates payable under fund-based facilities. By procuring gold under the gold loan facilities, we generally fix the gold price of gold metal loan matching with the sale price of gold at any time within the applicable credit period (maximum 270 days) of gold metal loan on daily or weekly basis based upon our hedging strategy, thereby minimising any risk to us relating to gold price fluctuations in the period between procurement of the gold and the sale of finished gold jewellery to our customers. In addition, under such gold loan facilities we typically issue stand by letters of credit as well as fixed deposit as margin money to avail gold metal loan over and above sanctioned gold metal loan limits, and hence have reduced our dependence on the use of fund-based credit facilities.

For details on how we propose to use the Net Proceeds of the Issue, please see “*Use of Proceeds*” on page 102.

## Cash Flows

The following table sets forth our cash flows for the years/period indicated:

(₹ in million)

| Particulars                                                           | Six month period ended September 30, 2024 (unaudited) | Fiscal 2024 (audited) | Fiscal 2023 (audited) | Fiscal 2022 (audited) |
|-----------------------------------------------------------------------|-------------------------------------------------------|-----------------------|-----------------------|-----------------------|
| Operating profit before working capital changes and other adjustments | 1,624.17                                              | 3,849.88              | 3,301.63              | 2,822.75              |
| Cash (used in) / generated from operating activities                  | (443.49)                                              | (2,230.67)            | (169.29)              | (299.90)              |
| Income taxes paid (net of refunds)                                    | (382.62)                                              | (707.64)              | (591.74)              | (399.40)              |
| Net cash (used in) / generated from operating activities              | (826.11)                                              | (2,938.31)            | (761.03)              | (699.30)              |
| Net cash (used in) / generated from investing activities              | 453.27                                                | (1,184.76)            | (1,980.30)            | (1,582.27)            |
| Net cash generated from) financing activities                         | 357.75                                                | 4,213.40              | 2,740.72              | 2,291.88              |
| Net (decrease) / increase in cash and cash equivalents                | (15.09)                                               | 90.33                 | (0.61)                | 10.31                 |
| Cash and cash equivalents at the beginning of the year/period         | 185.16                                                | 94.83                 | 95.44                 | 85.13                 |
| Cash and cash equivalents at the end of the year/period               | 170.07                                                | 185.16                | 94.83                 | 95.44                 |

### Net cash flow from operating activities

#### Six month ended September 30, 2024

Net cash used in operating activities was ₹826.11 million for the six month period ended September 30, 2024. While our profit before tax was ₹ 871.67 million for the six month period ended September 30, 2024, our operating profit before working capital changes and other adjustments stood at ₹ 1,624.17 million. This was primarily due to adjustments for finance cost of ₹ 647.87 million, depreciation and amortisation expenses of ₹ 359.10 million reduced for liabilities no longer required written back of ₹ 16.24 million and interest income of ₹ 200.77 million. Changes in working capital for the six month period ended September 30, 2024 primarily consisted of increase in inventories of ₹ 4,373.731 million, increase in trade receivables of ₹ 344.55 million, an increase in other assets of ₹ 279.13 million and increase in trade payables of ₹ 2,196.29 million. Further, this was adjusted by income taxes paid (net of refunds) of ₹ 382.62 million.

#### Fiscal 2024

Net cash used in operating activities was ₹2,938.31 million for the Fiscal 2024. While our profit before tax was ₹ 2,495.38 million for the Fiscal 2024, our operating profit before working capital changes and other adjustments stood at ₹ 3,849.88 million. This was primarily due to adjustments for finance cost of ₹ 1,081.03 million, depreciation and

amortisation expenses of ₹ 601.09 million reduced for liabilities no longer required written back of ₹ 46.28 million and interest income of ₹ 248.61 million. Changes in working capital for the Fiscal 2024 primarily consisted of increase in inventories of ₹ 5,715.62 million, increase in trade receivables of ₹ 68.51 million, an increase in other assets of ₹ 68.26 million and increase in trade payables of ₹ 451.89 million. Further, this was adjusted by income taxes paid (net of refunds) of ₹ 707.64 million.

### **Fiscal 2023**

Net cash used in operating activities was ₹761.03 million for the Fiscal 2023. While our profit before tax was ₹ 2161.52 million for the Fiscal 2023, our operating profit before working capital changes and other adjustments stood at ₹ 3,301.63 million. This was primarily due to adjustments for finance cost of ₹ 860.53 million, depreciation and amortisation expenses of ₹ 455.53 million reduced for liabilities no longer required written back of ₹ 18.35 million and interest income of ₹ 164.45 million. Changes in working capital for the Fiscal 2023 primarily consisted of increase in inventories of ₹ 4,942.12 million, increase in trade receivables of ₹ 60.98 million, an increase in other assets of ₹ 316.07 million and increase in trade payables of ₹ 270.36 million. Further, this was adjusted by income taxes paid (net of refunds) of ₹ 591.74 million.

### **Fiscal 2022**

Net cash used in operating activities was ₹ 699.30 million for Fiscal 2022. While our profit before tax was ₹ 1,781.36 million for Fiscal 2022, our operating profit before working capital changes and other adjustments stood at ₹ 2,822.75 million. This was primarily due to adjustments for finance cost of ₹ 697.02 million, depreciation and amortisation expenses of ₹ 421.15 million reduced for liabilities no longer required written back of ₹ 14.11 million and interest income of ₹ 60.17 million. Changes in working capital for Fiscal 2022 primarily consisted of increase in inventories of ₹ 3519.02 million, increase in trade receivables of ₹ 115.03 million, an increase in other assets of ₹ 143.65 million and increase in trade payables of ₹ 564.88 million. Further, this was adjusted by income taxes paid (net of refunds) of ₹ 399.40 million.

### **Net cash flow from Investing Activities**

#### **Six month ended September 30, 2024**

Net cash generated from investing activities was ₹ 453.27 million in the six month ended September 30, 2024, which consisted of deposits made during the year of ₹ 296.96 million, interest received during the period of ₹ 184.20 million, changes in bank balances other than cash and cash equivalents to ₹ 165.75 million offset by acquisition of property, plant and equipment (including capital work in progress) and intangible assets of ₹193.64 million.

### **Fiscal 2024**

Net cash used in investing activities was ₹ 1,184.76 million in the Fiscal 2024, which consisted of deposits made during the year of ₹ 730.62 million, utilisation in other bank balances of ₹ 272.36 million, purchase of property, plant and equipment (including capital work in progress) and other intangible assets amounting to ₹ 382.33 million offset by interest received of ₹ 200.55 million.

### **Fiscal 2023**

Net cash used in investing activities was ₹ 1,980.30 million in the Fiscal 2023, which consisted of deposits made during the year of ₹ 1905.59 million, utilisation in other bank balances of ₹ 109.75 million, acquisition of purchase of property, plant and equipment (including capital work in progress) and other intangible assets amounting to ₹ 311.09 million offset by interest received of ₹ 126.63 million.

### **Fiscal 2022**

Net cash used in investing activities was ₹ 1,582.27 million in Fiscal 2022, which consisted of deposits made during the year of ₹ 854.50 million, increase in other bank balances of ₹ 529.31 million, acquisition of purchase of property, plant and equipment (including capital work in progress) and other intangible assets amounting to ₹ 246.91 million offset by interest received of ₹ 48.45 million.

## Net cash flow from Financing Activities

### Six month ended September 30, 2024

Net cash generated from financing activities for the six month period ended September 30, 2024 was ₹ 357.75 million, which was due to proceeds from current borrowings (net) of ₹ 1,171.59 million, repayment of lease liabilities of ₹ 172.18 million and interest repayment of lease liabilities of ₹ 163.60 million and finance cost of ₹ 481.26 million.

### Fiscal 2024

Net cash generated from financing activities for the Fiscal 2024 was ₹ 4,213.40 million, which was due to proceeds from issue of equity shares of ₹ 2,482.27 million, proceeds from other borrowings (net) of ₹ 3,215.14 million, repayment of lease liabilities of ₹ 312.16 million and interest paid of ₹ 790.95 million.

### Fiscal 2023

Net cash generated from financing activities for the Fiscal 2023 was ₹ 2,740.72 million, which was due to proceeds from issue of equity shares of ₹ 750.00 million, proceeds from other borrowings (net) of ₹ 3,129.52 million, repayment of lease liabilities of ₹ 204.32 million and interest paid of ₹ 832.79 million.

### Fiscal 2022

Net cash generated from financing activities for Fiscal 2022 was ₹ 2,291.88 million, which was due to proceeds of other borrowings (net) of ₹ 3,308.03 million as offset by repayment of lease liabilities of ₹ 173.18 million, interest paid of ₹ 692.69 million, dividends paid for the current year amounting ₹ 54.72 million and dividends paid for earlier year of ₹ 92.76 million.

## CONTRACTUAL OBLIGATIONS

The following table sets forth the details regarding our contractual maturities of financial liabilities based on contractual undiscounted payments as of the respective years mentioned:

(in ₹ million)

| Particulars                             | Carrying amount  | Total            | Less than 1 year | 1 – 2 years   | 2 – 5 years     | More than 5 years |
|-----------------------------------------|------------------|------------------|------------------|---------------|-----------------|-------------------|
| <b>As on March 31, 2024:</b>            |                  |                  |                  |               |                 |                   |
| Borrowings (including accrued interest) | 15,007.24        | 15,007.24        | 14,996.19        | 3.92          | 7.13            | -                 |
| Lease liabilities                       | 2,628.06         | 4,081.36         | 556.36           | 551.15        | 1,507.71        | 1,466.14          |
| Trade payables                          | 2,068.81         | 2,068.81         | 2,068.81         | -             | -               | -                 |
| Other financial liabilities             | 706.85           | 706.85           | 706.85           | -             | -               | -                 |
| <b>Total</b>                            | <b>20,410.96</b> | <b>21,864.26</b> | <b>18,328.21</b> | <b>555.07</b> | <b>1,514.84</b> | <b>1,466.14</b>   |
| <b>As on March 31, 2023:</b>            |                  |                  |                  |               |                 |                   |
| Borrowings (including accrued interest) | 11,792.70        | 11,792.70        | 11,781.65        | 3.92          | 7.13            | -                 |
| Lease liabilities                       | 2,097.53         | 3,406.41         | 447.00           | 420.95        | 1,200.41        | 1,338.05          |

| Particulars                             | Carrying amount | Total     | Less than 1 year | 1 – 2 years | 2 – 5 years | More than 5 years |
|-----------------------------------------|-----------------|-----------|------------------|-------------|-------------|-------------------|
| Trade payables                          | 1,444.59        | 1,444.59  | 1,444.59         | -           | -           | -                 |
| Other financial liabilities             | 687.54          | 687.54    | 687.54           | -           | -           | -                 |
| <b>Total</b>                            | 16,022.36       | 17,331.24 | 14,360.78        | 424.87      | 1,207.54    | 1,338.05          |
| <b>As on March 31, 2022:</b>            |                 |           |                  |             |             |                   |
| Borrowings (including accrued interest) | 8,648.55        | 8,648.55  | 8,644.60         | 1.06        | 2.89        | -                 |
| Lease liabilities                       | 1,629.64        | 2,679.48  | 362.48           | 347.49      | 880.34      | 1,089.17          |
| Trade payables                          | 1,174.23        | 1,174.23  | 1,174.23         | -           | -           | -                 |
| Other financial liabilities             | 325.19          | 325.19    | 317.10           | 8.09        | -           | -                 |
| <b>Total</b>                            | 11,777.61       | 12,827.45 | 10,498.41        | 356.64      | 883.23      | 1,089.17          |

## PROVISIONS AND CONTINGENT LIABILITIES

### Provisions

Provisions are accounted for in respect of present obligations arising out of past events where it is probable that an outflow of resources will be required to settle the obligation and the amounts of which can be reliably estimated. Provisions are determined on the basis of best estimate of the outflow of economic benefits required to settle the obligation as at the date of the relevant balance sheet. Where no reliable estimate can be made, a disclosure is made as contingent liability.

### Contingent liabilities

Except as set out below, there were no claims against our Company not acknowledged as debt as on March 31, 2024, March 31, 2023 and March 31, 2022:

(in ₹ million)

| Particulars                                                                                                               | March 31, 2024 | March 31, 2023 | March 31, 2022 |
|---------------------------------------------------------------------------------------------------------------------------|----------------|----------------|----------------|
| <b>Contingent Liabilities</b>                                                                                             |                |                |                |
| <b>Claims against the Company not acknowledged as debts</b>                                                               |                |                |                |
| - Income tax demands*                                                                                                     | 147.15         | 191.62         | 130.01         |
| - Central excise                                                                                                          | 124.16         | 18.65          | 18.65          |
| - Service tax                                                                                                             | 21.58          | 21.58          | 21.58          |
| -Goods and Service tax                                                                                                    | 5.40           | -              | 0.79           |
| <b>Total</b>                                                                                                              | <b>298.29</b>  | <b>231.85</b>  | <b>171.03</b>  |
| <b>Commitments</b>                                                                                                        |                |                |                |
| Estimated amount of contracts remaining to be executed on capital contracts and not provided for (net of capital advance) | 91.28          | 173.81         | 26.59          |

*\*Pursuant to a search and seizure operation under Section 132 of the Income-tax Act, 1961 (hereinafter in this note referred to as the 'IT Act') conducted by the Income-tax department, notices under Section 153A and Section 142(1) of the IT Act were issued for the assessment years 2011-12 to 2017-18. Subsequently, the Deputy Commissioner of Income-tax has raised demands amounting to ₹ 74.56 million on our Company for the said assessment years. Our Company has filed appeal against the said orders. Further, the Deputy Director of Income-tax (Investigation), Unit - 2(1), Kolkata, has filed a criminal complaint against our Company and some of the Key Management Personnel under section 277A of the IT Act. Based on the facts of the matter and an independent assessment done by our Company, the management remains fairly confident of a favourable outcome and therefore, does not foresee any material financial liability devolving on our Company in this respect of the aforementioned demand/ litigation and accordingly, no provision has been made in the Restated Consolidated Financial Information.*

## **OFF-BALANCE SHEET TRANSACTIONS**

There are no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.

## **RELATED PARTY TRANSACTIONS**

We have engaged in the past, and may engage in the future, in transactions with related parties, including with our affiliates and certain key management members on an arm's lengths basis. Such transactions could be for provision of services, intercompany loans, lease or purchase of assets or property, sale or purchase of equity shares or entail incurrence of indebtedness. For details of our related party transactions, see the section, "Related Party Transactions" on page 116

## **QUANTITATIVE AND QUALITATIVE DISCLOSURES**

### *Credit Risk*

Credit risk is the risk of financial loss to our Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from our Company's receivables from customers and loans given. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to customers, including outstanding accounts receivables. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. Our Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

In respect of trade and other receivables, our Company is not exposed to any significant credit risk exposure to any single counterparty or any Company of counterparties having similar characteristics. Trade receivables consist of a large number of customers. Our Company has very limited history of customer default, and considers the credit quality of trade receivables that are not past due or impaired to be good.

The credit risk for cash and cash equivalents, bank deposits, loans and financial instruments is considered negligible, since the counterparties are reputable organisations with high quality external credit ratings.

### *Liquidity risk*

Liquidity risk is defined as the risk that our Company will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. Our Company's finance team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors our Company's liquidity position through rolling forecasts on the basis of expected cash flows. Our Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to our Company's reputation.

### *Commodity Price Risk*

We are subject to market risks related to the volatility in the price of gold and diamonds, and to a lesser extent,

platinum, silver and other precious stones. Our financial results can be affected significantly by fluctuations in these prices, which depend on many factors, including demand for these materials, changes in the economy, world-wide production levels, world-wide inventory levels and disruptions in the supply chain. We endeavour to buy the same Rupee value of gold at the end of each day that we sell across all of our showrooms that day. Therefore, if the price of gold increases we purchase lesser volume of gold compared with the volume of gold sold and vice versa. In addition we also hedge our risk against adverse movement in commodity prices by adopting by mix of strategy as approved by the board including keeping the GML rate unfixed, future and option contracts at commodity exchange. However, there is no assurance our gold purchasing practice will adequately protect us from price fluctuations in gold. For further details, please see, “*Risk Factors - The non-availability or high cost of quality gold and diamonds may have an adverse effect on our business, results of operations, financial condition and prospects*” on page 80.

#### *Interest Rate Risk*

As on November 30, 2024, our Company, on a consolidated basis, has a total working capital sanction limit amounting to ₹ 31,290.00 million, which includes: (i) consortium sanctioned limit aggregating to ₹ 9,000.00 million which includes cash credit/ working capital demand loan facilities amounting to ₹ 7,700.00 million having interchangeability of ₹ 2,510.00 million as gold metal loan ( earmark cash credit) and gold metal loan limit of ₹ 1,300.00 million having interchangeability of ₹ 760.00 million as cash credit/working capital demand loan; (ii) working capital facility sanctioned outside consortium as cash credit/ working capital demand loan amounting to ₹ 7,280 million having interchangeability of ₹ 3,130.00 million as gold metal loan ( earmark cash credit) and gold metal loan limit of ₹ 1,450.00 million having interchangeability of ₹ 240.00 million as cash credit/working capital demand loan and (iii) working capital facility outside consortium as gold metal loan limit amounting to ₹ 13,210.00 million. It exposes us to market risk as a result of changes in interest rates. We undertake debt obligations primarily to support our working capital needs and capital expenditure. Interest rates are highly sensitive to many factors beyond our control, including the monetary policies of the RBI, global interest rates, regulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. Upward fluctuations in interest rates increase the cost of debt and interest cost of outstanding variable rate borrowings. We do not currently use any derivative instruments to hedge interest rate risk considering the short term rates charged by the bankers. For further details, please see, “*Risk factors - Our Company requires significant amounts 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.*” on page 66.

#### *General*

Market risk is the risk of loss of future earnings, to fair values or to future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the foreign currency exchange rates, interest rates, commodity prices, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments, foreign currency payables and debt.

### **COMPETITIVE CONDITIONS**

We face competition from both the organized and unorganised sectors of the jewellery retail business, including online jewellery sellers and online marketplaces. In India, jewellery retail is via three formats: national showrooms, regional showrooms and local standalone showrooms. Despite rapid market share gain by organised players over the past decade and a half, unorganised retailers continue to dominate the market. We also face competition in some regions from certain regional players. However, we believe that there are significant barriers to entry into the business of manufacturing and retailing jewellery in India. Among the most important of these barriers is the need for significant working capital to purchase gold and diamonds, the long-term relationships required to have access to adequate supplies of diamonds, the limited number of persons with the skills necessary to manufacture high quality jewellery, the difficulty in obtaining access to upscale channels of distribution, the importance of public recognition of an established brand name, a reputation for jewellery-making excellence, and the development of systems to report on and stringently monitor the manufacturing and distribution network. For details, see “*Our Business – Competition*” on page 236.

### **SEASONALITY**

Our sector has seasonal increases and decreases in revenues and profitability, corresponding with weddings and festivals, like Dhanteras and Akshaya Tritiya. Historically, the first quarter and third quarter have been more profitable than the second quarter and fourth quarter of every fiscal. We offer increased discounts and promotions in those quarters when there are fewer weddings and no important festivals in order to increase revenue. Also see, “*Risk Factors – 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.*” on page 59

#### **UNUSUAL OR INFREQUENT EVENTS OR TRANSACTIONS**

Our business has been subject, and we expect it to continue to be subject, to significant economic changes arising from the trends identified above in “– *Significant Factors Affecting our Results of Operations and Financial Condition*” and the uncertainties described in “*Risk Factors*”, on pages 117 and 57, respectively.

Except as described in this Preliminary Placement Document, there have been no events or transactions to our knowledge which, in our judgment, would be considered “unusual” or “infrequent”.

#### **KNOWN TRENDS OR UNCERTAINTIES**

Except as disclosed in this Preliminary Placement Document, to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on the revenues or income of our Company from continuing operations. In addition to this, the production of Lab Grown Diamonds have substantially increased in the market which has posed itself as a competitive response to naturally occurring diamonds. Further, increasing urbanization and rising middle-class incomes may also boost the demand.

#### **SIGNIFICANT REGULATORY CHANGES**

There have been no regulatory changes that have materially affected our business. Moreover, Custom Duty Rate has been reduced by the government from 15% to 6% for Gold, 15% to 6% for Silver and 15.4% to 6.4% for Platinum, this will reduce smuggling and increase consumer demand. Anti-Money Laundering (AML) has become applicable to retail jewellery sector. Stringent Personal Data Protection (PDP) Regulations imposed with enforcement of the Digital Personal Data Protection (DPDP) Act 2023 and the ITGC (IT General Controls) Audit.

#### **SIGNIFICANT ECONOMIC AND REGULATORY CHANGES**

Other than as disclosed in “– *Significant Factors Affecting our Results of Operations and Financial Condition*” and “*Risk Factors*” on pages 117 and 57, respectively, there are no other significant economic changes that materially affect or are likely to affect income from continuing operations, to our knowledge.

#### **NEW PRODUCT OR BUSINESS SEGMENTS**

Other than as described in this Preliminary Placement Document, there are no new products or business segments in which we operate.

#### **FUTURE RELATIONSHIPS BETWEEN COSTS AND INCOME**

Except as disclosed in this Preliminary Placement Document, to our knowledge there are no known factors which will have a material adverse impact on our business prospects, results of operations and financial condition.

#### **SIGNIFICANT ECONOMIC CHANGES THAT MATERIALLY AFFECTED OR ARE LIKELY TO AFFECT INCOME FROM CONTINUING OPERATIONS**

Indian rules and regulations as well as the overall growth of the Indian economy have a significant bearing on our operations. Major changes in these factors can significantly impact income from continuing operations.

Except as disclosed in “*Risk Factors*” on page 57, there are no significant economic changes that have materially affected our Company’s operations or are likely to affect income from continuing operations.

## **TOTAL TURNOVER OF EACH MAJOR INDUSTRY SEGMENT IN WHICH OUR COMPANY OPERATES**

For details of the total turnover, see the section titled “*Financial Information*” on page 316.

## **THE EXTENT TO WHICH MATERIAL INCREASES IN NET SALES OR REVENUE ARE DUE TO INCREASED SALES VOLUME, INTRODUCTION OF NEW PRODUCTS OR SERVICES OR INCREASED SALES PRICES**

Changes in income from operations during the last three Fiscals are as explained in the sub-section titled “- *Significant Factors Affecting our Results of Operations and Financial Condition*” on page 117.

## **SIGNIFICANT DEPENDENCE ON SINGLE OR FEW SUPPLIERS OR CUSTOMERS**

While there is no significant dependence on few suppliers or customers, for details of risk of dependence on franchisees and bullion banks, see the section titled “*Risk Factors – We rely significantly on our franchisees, and if our franchisees cannot develop or finance new showrooms or build them on suitable sites, open them on schedule or manage them successfully, or if we are unable to renew our existing franchisees or secure new franchisees on commercially acceptable terms, our growth and success may be affected*” and “*Risk Factors – The non-availability or high cost of quality gold and diamonds may have an adverse effect on our business, results of operations, financial condition and prospects*” on pages 62 and 80, respectively.

## **RESERVATIONS, QUALIFICATIONS OR ADVERSE REMARKS BY AUDITORS**

Except as stated below, there have been no reservations/ qualifications/ adverse remarks/ matters of emphasis highlighted by our statutory auditors in their auditor’s reports on the audited financial statements as of and for the years ended March 31, 2024, 2023, 2022, 2021 and 2020:

The Statutory Auditors have made a remark in note 53 of the standalone financial statements as well as consolidated financial statements for the year ended March 31, 2024, as follows: “*The accounting software used for maintenance of Books of Accounts of the Company is operated by a third-party software service provider. In the absence of any information on existence of audit trail (edit logs) for any direct changes made at the database level in the “Independent Service Auditor’s Assurance Report on the description of controls, their design and operating effectiveness” (Type 2 report issued in accordance with ISAE 3000, assurance engagements other than audits or reviews of historical financial information), we are unable to comment on whether audit trail feature with respect to the database was enabled and operated throughout the year.*”

## **SIGNIFICANT DEVELOPMENTS AFTER SEPTEMBER 30, 2024**

Except as stated below and elsewhere in this Preliminary Placement Document, no material developments have arisen after September 30, 2024 which affect or are likely to affect the trading or operations or profitability of our Company or the value of our assets, or our ability to pay our liabilities within the next twelve months: Our Board of Directors pursuant to their resolution dated October 4, 2024 and our Shareholders pursuant to a special resolution passed by way of a postal ballot on November 26, 2024, have approved the sub-division of each equity share of our Company of face value ₹ 10 each into 2 equity shares of face value of ₹ 5 each. However, as on the date of this PPD, we are yet to give effect to the sub-division including announcement of the record date for effecting the sub-division and completion of the corporate actions thereunder.

## INDUSTRY OVERVIEW

Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled “Industry Research Report on Indian Gems and Jewellery” (“**CARE Report**”) dated December 2024 prepared and issued by CARE Analytics and Advisory Limited exclusively commissioned and paid for by us to enable the investors to understand the industry in which we operate in connection with this Issue. The data included herein includes excerpts from the CARE Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the proposed Issue), that has been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the CARE Report and included herein with respect to any particular year refers to such information for the relevant calendar/Fiscal, as applicable. For more information, see “Risk Factors – Certain sections of this Preliminary Placement Document disclose information from the industry report which has been commissioned and paid for by us exclusively in connection with the Issue and any reliance on such information for making an investment decision in the Issue is subject to inherent risks.” on page 86.

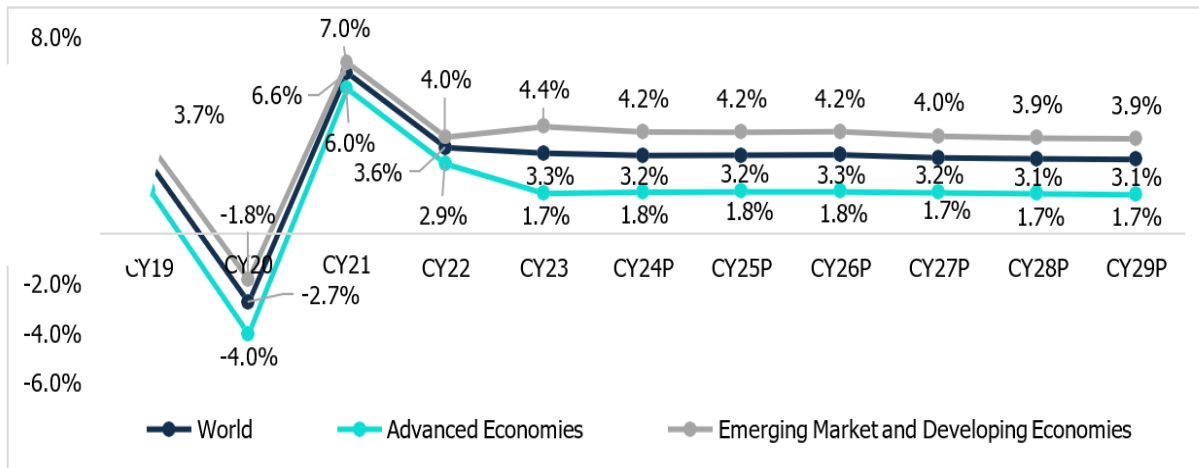
Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents of the CARE Report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction. Unless otherwise indicated, financial, operational, industry and other related information derived from the CARE Report and included herein with respect to any particular year refers to such information for the relevant calendar year.

### 1. Economic Outlook

#### Global Economy

Global growth, which stood at 3.3% in CY23, is anticipated to fall to 3.2% in CY24 and then bounce back again to 3.3% in CY25. The CY24 forecast has remained same compared to the April 2024 World Economic Outlook (WEO) Update, and increased by 0.1 percentage point compared to the January 2024 WEO. Despite this, the expansion remains historically low, attributed to factors including sustained high borrowing costs, inflation woes, reduced fiscal support, lingering effects of Russia’s Ukraine invasion, Iran–Israel War, sluggish productivity growth, and heightened geo-economic fragmentation.

#### Global Growth Outlook Projections (Real GDP, Y-o-Y change in %)



Notes: P-Projection; Source: IMF – World Economic Outlook, July 2024

## GDP growth trend comparison - India v/s Other Economies (Real GDP, Y-o-Y change in %)

|               | Real GDP (Y-o-Y change in %) Real GDP (Y-o-Y change in %) |      |      |      |       |       |       |       |       |       |
|---------------|-----------------------------------------------------------|------|------|------|-------|-------|-------|-------|-------|-------|
|               | CY20                                                      | CY21 | CY22 | CY23 | CY24P | CY25P | CY26P | CY27P | CY28P | CY29P |
| India         | -5.8                                                      | 9.7  | 7.0  | 8.2  | 7.0   | 6.5   | 6.5   | 6.5   | 6.5   | 6.5   |
| China         | 2.2                                                       | 8.5  | 3.0  | 5.2  | 5.0   | 4.5   | 3.8   | 3.6   | 3.4   | 3.3   |
| Indonesia     | -2.1                                                      | 3.7  | 5.3  | 5.0  | 5.0   | 5.1   | 5.1   | 5.1   | 5.1   | 5.1   |
| Saudi Arabia  | -3.6                                                      | 5.1  | 7.5  | -0.8 | 1.7   | 4.7   | 4.0   | 3.5   | 3.0   | 3.5   |
| Brazil        | -3.3                                                      | 4.8  | 3.0  | 2.9  | 2.1   | 2.4   | 2.1   | 2.0   | 2.0   | 2.0   |
| Euro Area     | -6.1                                                      | 5.9  | 3.4  | 0.5  | 0.9   | 1.5   | 1.4   | 1.3   | 1.3   | 1.2   |
| United States | -2.2                                                      | 5.8  | 1.9  | 2.5  | 2.6   | 1.9   | 2.0   | 2.1   | 2.1   | 2.1   |

P- Projections; Source: IMF- World Economic Outlook Database (July 2024)

## Trend in Global Inflation rate

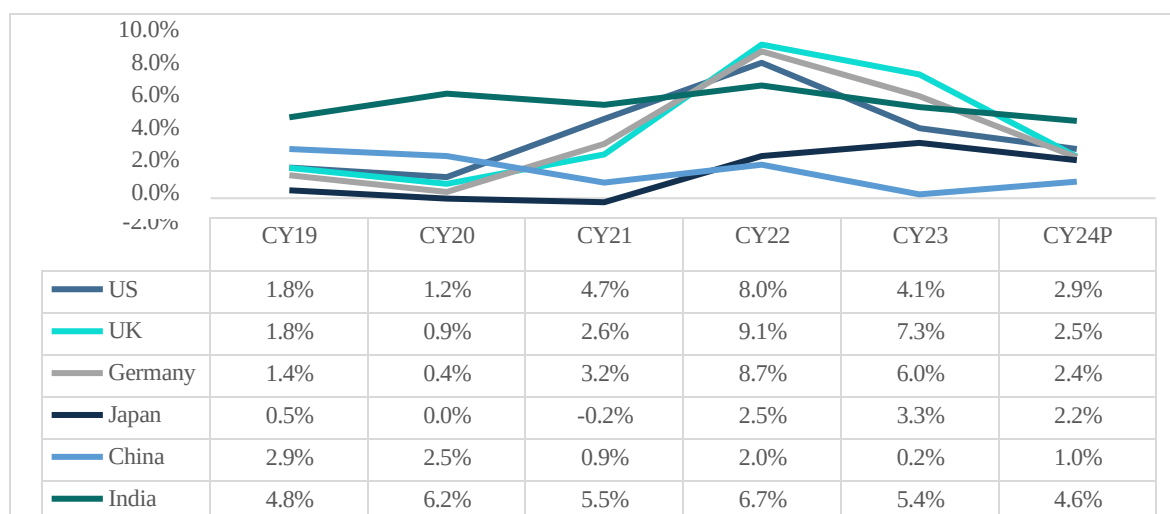
Since 2022, inflation has been falling for all major global economies following a surge in inflation during 2021-22 due to the twin supply shocks of COVID and Russian invasion of Ukraine. This surge was preceded by a long period of low inflation for US, UK and the Eurozone countries like Germany. While inflation accounted due to the large fiscal stimulus provided in these countries was foreseen, the Russia-Ukraine war added an additional shock and led to this surge specially in Germany with high energy and gas bills being the major contributors of inflation.

Even Japan which has had disinflation for many years, also saw an uptick in inflation post 2022 after which the Bank of Japan finally raised rates after years of ultra-loose monetary policy. Seeing these price shocks as transitory, Central Banks around the world reacted a little late to inflation but have been on a tightening cycle since 2022. Inflation, while falling, is yet to reach to pre-pandemic levels for these countries.

For China, this trend has been contradictory with its inflation remaining lower than many of its peers during 2020-2023, with a little rise in 2022, raising concerns of deflation. Unlike other major global economies, consumer spending did not rise much when lockdown restrictions were lifted. Weak domestic demand along with weak trade data, and challenges in housing market have been the major reasons for this trend. Youth unemployment along with increasing debt burden of the country are two major problems the country is facing whilst fighting deflation. While there has been recovery in manufacturing activity, increasing inflation numbers in 2024, it still is not expected to reach pre-pandemic level anytime soon.

India's response to the COVID-19 pandemic, through fiscal stimulus, had only a short-lived effect on inflation, which remained persistently high compared to other economies. Over the past few years, the Indian economy has faced a series of shocks, including the pandemic, supply-chain disruptions, and geopolitical tensions, which have kept inflation elevated. The Reserve Bank of India struggled to keep inflation within its target range, missing its mandate during several quarters. Despite these difficulties, India has managed to reduce both headline and core inflation through strategic administrative and monetary measures. By tightening monetary policy and increasing interest rates, the RBI has successfully curbed core inflation, bringing it down significantly by mid-2024.

## Inflation across key economies



Note: P-Projections, Source: IMF- World Economic Outlook Database (April 2024)

## Indian Economic Outlook

### Resilience to External Shocks remains Critical for Near-Term Outlook

India's real GDP grew by 7.0% in FY23 and stood at ~Rs. 161 trillion, as per the First Revised Estimate, despite the pandemic in previous years and geopolitical Russia-Ukraine spillovers. In Q1FY24, the economic growth accelerated to 8.2%. The manufacturing sector maintained an encouraging pace of growth, given the favorable demand conditions and lower input prices. The growth was supplemented by a supportive base alongside robust services and construction activities. This momentum remained in the range in the Q2FY24 with GDP growth at 8.1%, mainly supported by acceleration in investments. However, private consumption growth was muted due to weak rural demand and some moderation in urban demand amid elevated inflationary pressures in Q2FY24. The GDP growth number improved for Q3FY24 at 8.6%.

### GDP Growth Outlook

- Driven by fixed investment and improving global environment, domestic economic activity continues to expand. The provisional estimates (PE) placed real GDP growth at 8.2% for FY24.
- Industrial activity led by manufacturing continues its momentum on the back of strengthening domestic demand. Moreover, the services sector-maintained buoyancy as could be observed by growth in high frequency indicators such as E-way bills, GST revenues, toll collections, aggregate, and a healthy growth in domestic air cargo and port cargo. The purchasing managers' index for both manufacturing and services continues to exhibit a sustained and healthy expansion.
- Domestic economic activity remains strong. On the supply side, with advancing monsoon, kharif sowing has picked up, improving agricultural production prospects. Additionally, growth in GVA for major non-agricultural sectors like manufacturing, construction, and utilities has stayed above 5% for Q1FY25, indicating expansion in the mentioned sectors. On the demand side, household consumption is bolstered by a recovery in rural demand and consistent discretionary spending in urban areas. Fixed investment activity is robust, supported by the government's ongoing focus on capital expenditure, healthy balance sheets of banks and corporates, and other policy measures. Private corporate investment is picking up, driven by an increase in bank credit. Merchandise exports grew in June, albeit at a slower rate, while the growth in non-oil-non-gold imports accelerated, indicating resilience of domestic demand. Services exports saw double-digit growth in May 2024 before slowing down in June 2024.
- Improved agricultural activity would improve rural consumption, while urban consumption would be supported by buoyancy in services activity. Additionally, improvement in global trade prospects are expected to support external demand.

- Persistent geopolitical tensions and volatility in international financial markets and geo-economic fragmentation do pose risk to this outlook. Based on these considerations, the RBI, in its August 2024 monetary policy, has projected real GDP growth at 7.2% y-o-y for FY25.

#### RBI's GDP Growth Outlook (Y-o-Y %)

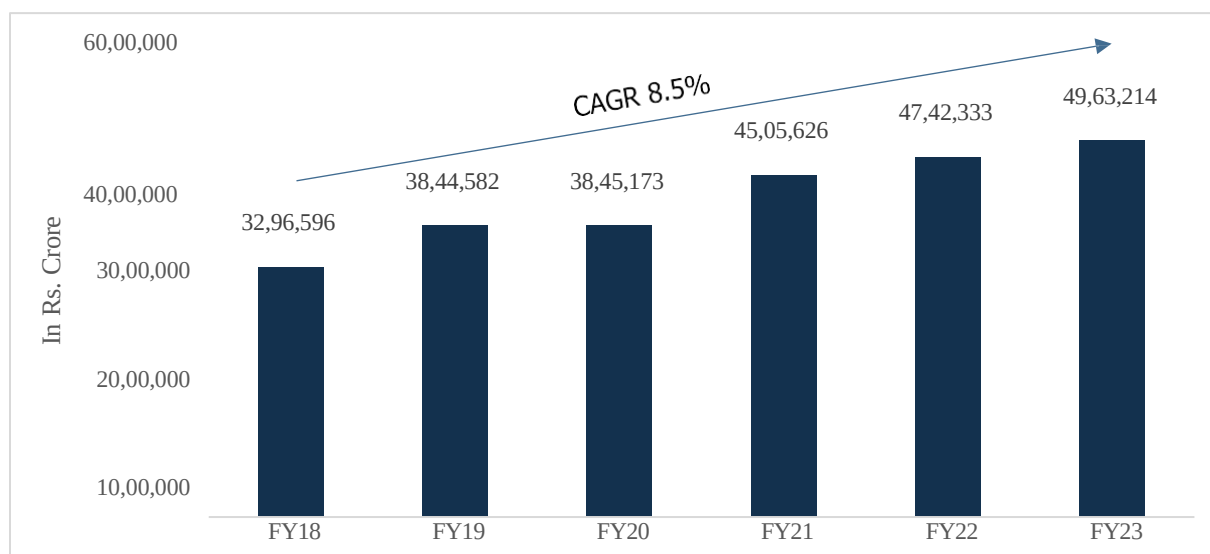
| FY25P (complete year) | Q2FY25P | Q3FY25P | Q4FY25P | Q1FY26P |
|-----------------------|---------|---------|---------|---------|
| 7.2%                  | 7.2%    | 7.3%    | 7.2%    | 7.2%    |

Note: P-Projected; Source: Reserve Bank of India

#### Trend in Household Saving

Household savings in India (includes gross financial savings plus saving in the form of physical assets, gold and silver ornaments adjusted for liabilities) have grown steadily since FY18 at a CAGR of 8.5%, except for a marginal decline in FY20 due to the pandemic. For FY23, the household savings stands at Rs. 49,63,214 crore growing y-o-y at 4.7%. The major contributors to this positive growth are savings in the form of physical assets (like real estate, etc.) and savings in form of gold and silver ornaments, both growing y-o-y by 17.4% and 39% respectively. As of FY23, savings in physical assets and savings in form of gold & silver ornaments stood at Rs. 34,83,370 crore and Rs. 63,397 crores respectively, both reaching highest level since last 6 years. These numbers hint at a shift in people's preferences from monetary to physical assets as value appreciation in monetary assets is slow in high inflation environment as compared to physical assets. Savings in physical assets has been fuelled by heavy borrowing specially in housing, auto and personal loan segments. The financial liabilities of households reached a six-year high at Rs. 15,57,190 crores registering a y-o-y growth of 73.2%. Moreover, increase in house buying post pandemic, improvement in bank balance sheets along with ease in credit availability due to entry of new players like NBFCs and FinTech and technology advancement further pushed this growth in credit. Additionally, in gross financial savings, a shift from traditional saving avenues to mutual funds and insurance funds could also be observed. In FY23, savings in mutual funds has grown y-o-y at 11.5% while savings in life insurance funds grew by 13.6% y-o-y. Further, shift in investment avenues can be observed, with increased participation in equity and other capital market instruments since they give higher returns than bank deposits.

#### Household Savings (at Current Prices)



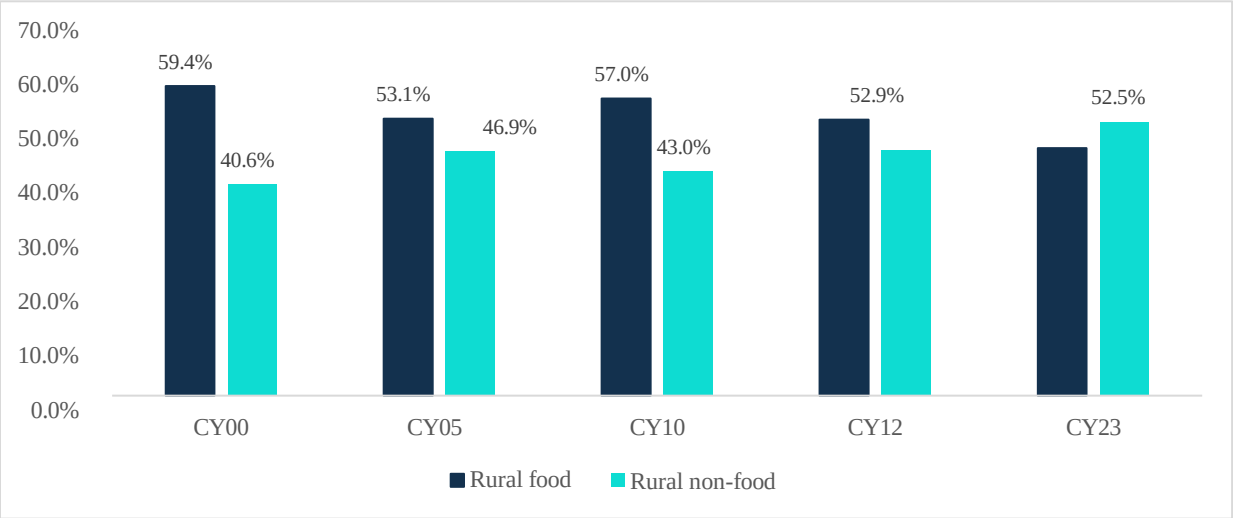
Source: MOSPI

#### Rural and Urban Consumption

The rural food consumption has decreased from 59.4% in CY00 to 47.5% in CY23. Urban food consumption also shows a similar trend from 48.1% in CY00 falling to 38.7% in CY23.

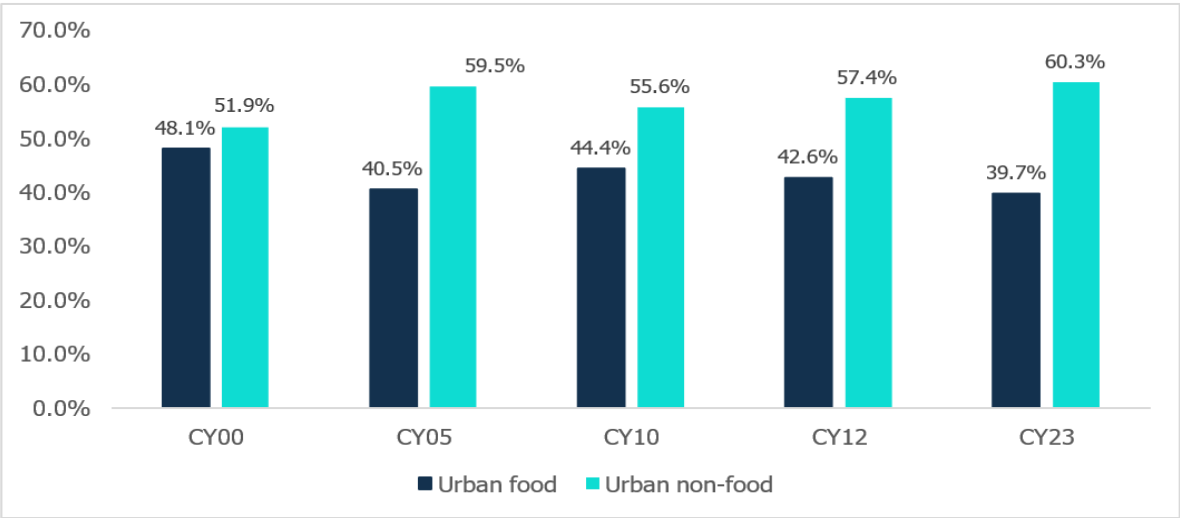
From CY00 to CY23, India has seen a clear shift in consumption patterns, with food expenditure decreasing and non-food expenditure increasing. This shift highlights a transition from a primarily agrarian economy to a more diversified rural economy where spending on non-food goods and services (education, healthcare, housing, transportation, etc.) is becoming increasingly important. As urban-rural incomes rise, rural households can spend more on lifestyle, education, and health, signifying greater economic development and evolving consumption habits.

**Trend in rural consumption composition (in %)**



Source: MOSPI

**Trend in Urban Consumption**



Source: MOSPI

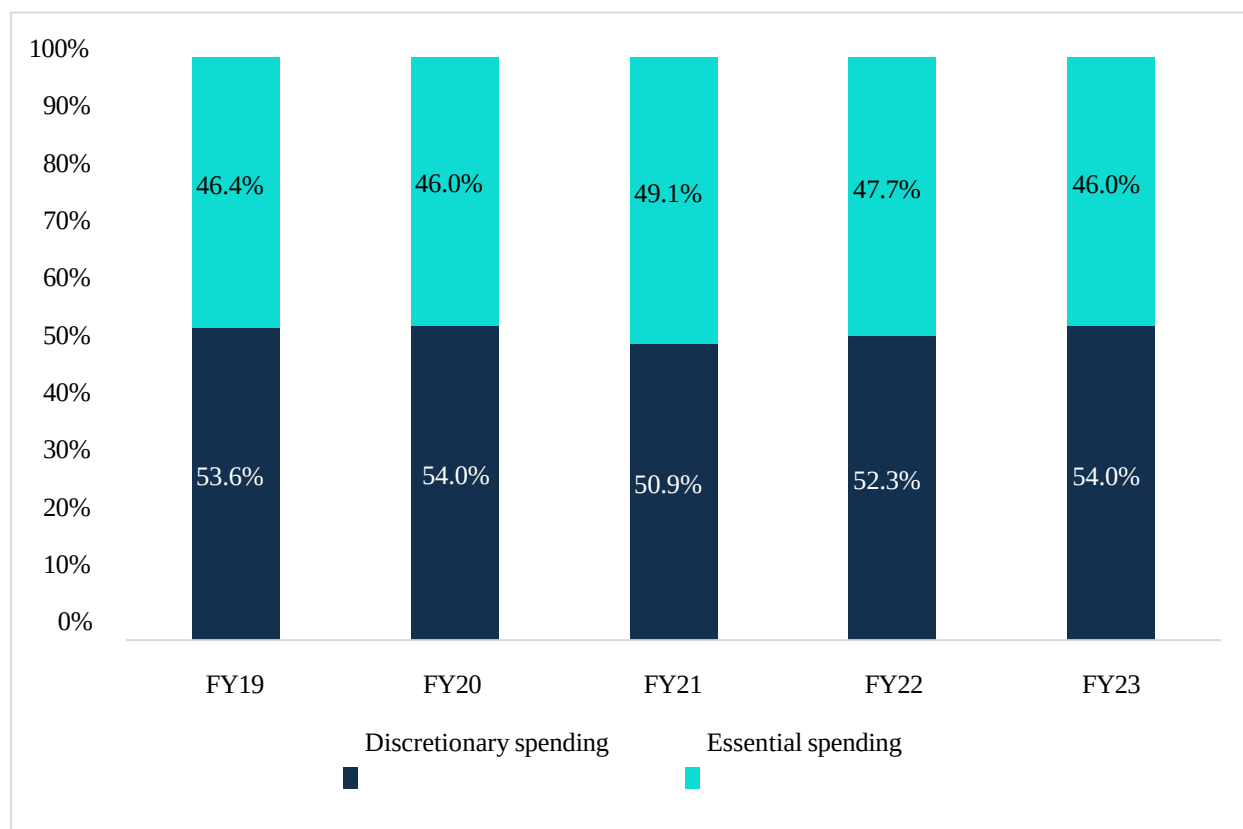
**Household Spending patterns**

In the past five years, Indian households have experienced a notable shift in spending patterns, transitioning from essential expenditures to a greater focus on discretionary spending. The share of expenditure on discretionary items has increased from 53.6% in FY19 to 54% in FY23, whereas share of expenditure on essential items has decreased

from 46.4% in FY19 to 46% in FY23. The only exception to the trend can be observed in FY21 when essential spending share saw an uptick to 49.1% on account of pandemic.

Households are allocating a high portion of their budgets to non-food, reflecting a growing disposable income. Consequently, spending on non-food items such as clothing, entertainment, transportation, and health has risen sharply. This trend highlights an evolving consumer mindset, where families prioritize experiences and lifestyle enhancements over necessities, showcasing a shift towards a more affluent and diverse consumption culture.

### Shifting Patterns in Household Consumption Expenditure



Source: MOSPI

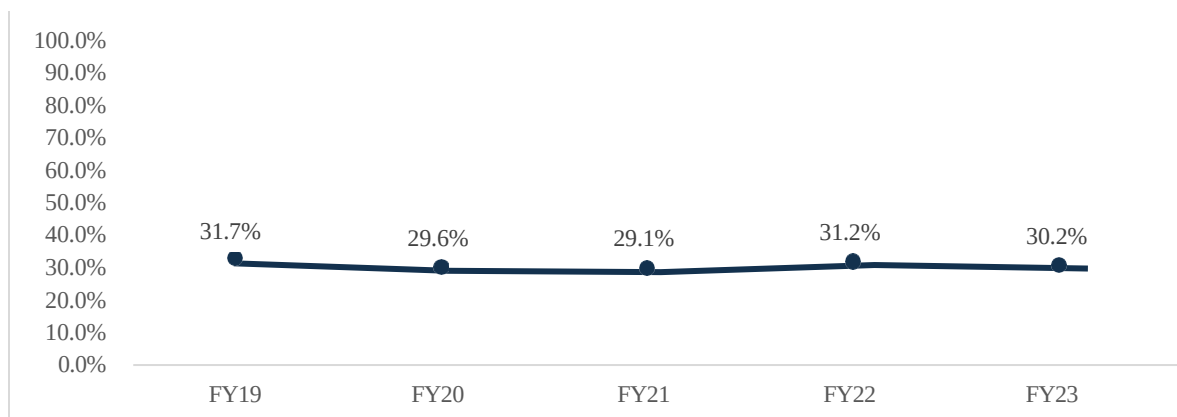
Note: Essential Spending includes Food and non-alcoholic beverages, Clothing and footwear, Housing, water, electricity, gas, and other fuels. Discretionary Spending includes Alcoholic beverages, tobacco and narcotics, Clothing and footwear, Furnishing, household equipment and routine household maintenance, Health, Transport, Communication, Recreation and culture, Education, Restaurants and hotels, and Miscellaneous goods and services

### Trend in Gross Savings (as % of GDP)

Gross Savings as a percentage of GDP has seen flat growth, moving within a narrow range. Within the last five years, it was highest in FY19 at 31.7%. It declined to less than 30% during FY20 and FY21 on account of the pandemic, increasing again to 31.2% in FY22 before declining to 30.2% in FY23.

As of FY23, Savings were Rs. 81,50,008 crores indicating a y-o-y growth of 10.7% while GDP was at Rs. 2,69,49,646 crore showing a growth of 14.2%.

### Gross Savings (as % of GDP) (at current prices)



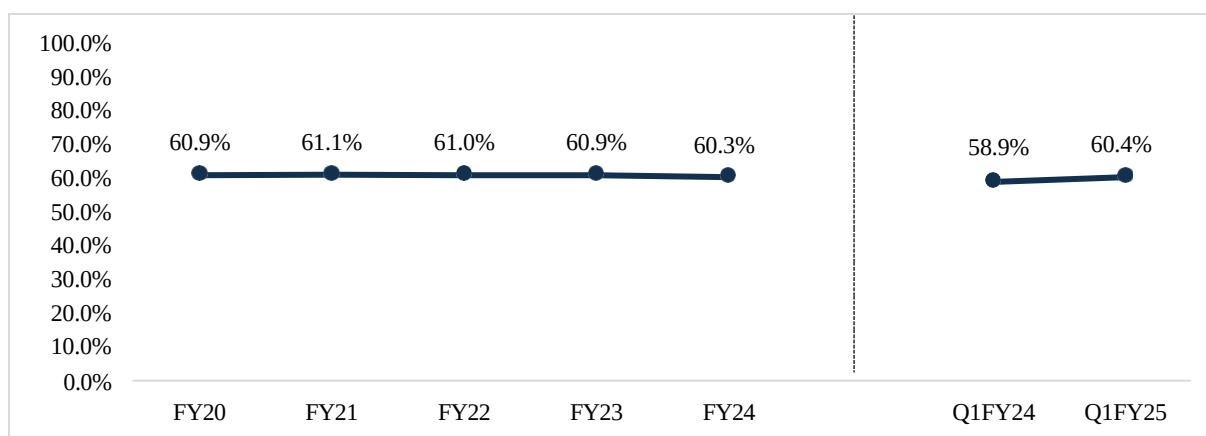
Source: MOSPI

### Trend in Private Consumption

Private Final Consumption Expenditure (PFCE) is the largest component in the Gross Domestic Product of the country. It has held a share of above 60% for the past five years. Within the last five years, it reached the highest share of 61.1% in FY21, post which it has been progressively declining albeit marginally.

This trend is attributed to a combination of factors impacting consumer spending. The pandemic, high global and domestic inflation, and tighter financial conditions have constrained private consumption. Poor agricultural output has particularly hurt rural demand, while the shift in household budgets towards higher health expenditures, at the expense of education, has further strained consumer finances. Increased health spending has added financial burdens, limiting spending on other essential items like food, clothing, and housing, which has been evident in the decreasing PFCE growth in these categories. Additionally, weak urban demand, driven by ongoing employment challenges, has exacerbated the situation. Although the anticipated revival of monsoon conditions may boost rural demand in the current fiscal year, the overall decline in PFCE highlights persistent issues in both rural and urban consumption patterns. As of FY24, the share of PFCE in GDP stands at 60.3%. In Q1FY25, PFCE improved y-o-y by 12.4%, reaching a share of 60.4% as compared to 58.9% in Q1FY24.

### Private Consumption (as % of GDP) (at current prices)

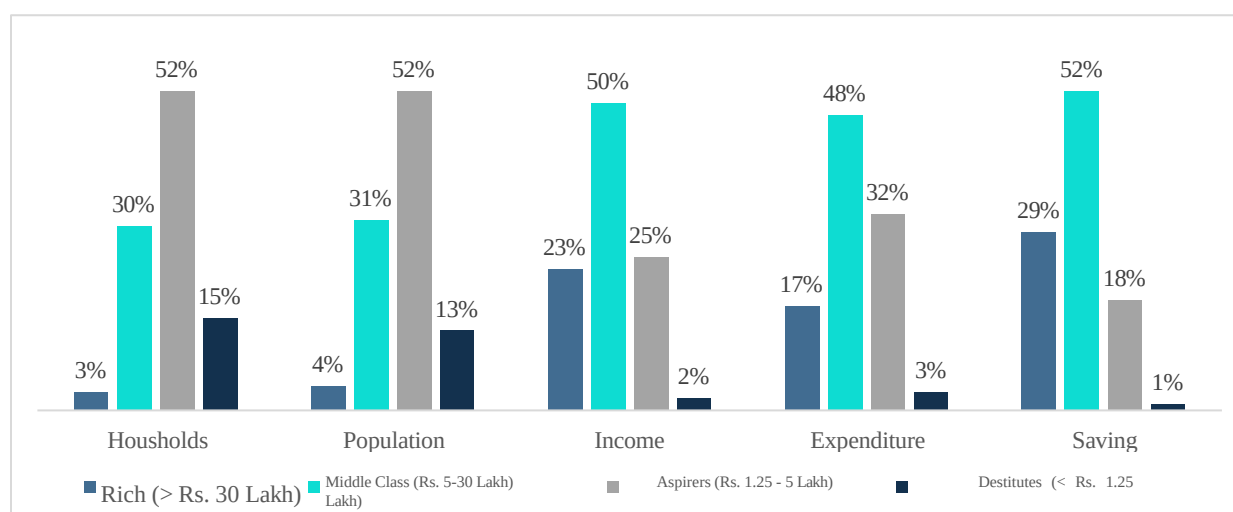


Source: MOSPI

## Growth of the middle class in India and the rural economy in India

India's middle-class population is set to grow from 432 million in FY21 to 715 million in FY31, reaching 1,015 million by FY47, surpassing the U.S. and China within this decade. Rising income levels are evident as middle-class households grew at a 4% CAGR from FY16 to FY21 and are projected to represent 47% of households by FY31. High-income households are also expected to grow significantly. This expanding middle and high-income population boosts demand in the hospitality sector, with increased preference for midscale and upscale hotels driven by lifestyle changes and aspirations.

### Contribution in terms of Income, Saving and Expenditure (In %)



Source: EMIS, People Research on India's Consumer Economy (PRICE), CareEdge Research

The expansion of middle-income households in rural India is transforming the country's economic landscape. This growth is driven by rising incomes, increased discretionary spending, a shift towards online and omnichannel shopping, and advancements in payment and logistics infrastructure. There is also a notable dietary shift in rural areas from carb-based foods to more protein-rich diets. India's middle class, characterized by significant income variability, exhibits diverse spending patterns. Lower-middle-class households allocate much of their income to private healthcare, education, and essential consumer goods, such as motorbikes and basic appliances. In contrast, the upper-middle class invests in luxury items, entertainment, property, and personal services, with a higher propensity to own assets like cars, computers, and air conditioners. Both segments of the middle class are substantial and emerging as key drivers of consumption and economic growth in India. Recent policies, including the Mahatma Gandhi National Rural Employment Guarantee Act, have increased rural incomes, enabling more rural households to enter the middle class. The growing, more inclusive, and politically engaged middle class reflects broader economic growth, although there is a risk of social strain if growth falters and quality job creation does not keep pace.

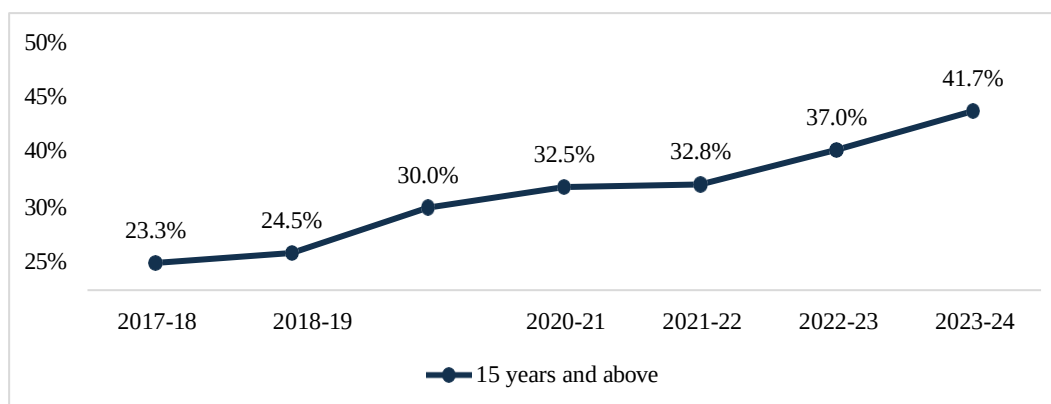
Despite higher absolute incomes among the wealthy, the sheer size of India's middle class indicates it will become a major force in the economy, creating one of the world's largest markets. This burgeoning middle class, with its growing discretionary spending power, is poised to drive investment, generate employment, and spur further economic growth. Assuming effective reforms are implemented, and the middle class expands to over one billion people, its role will be pivotal in India's economic and social fabric, influencing a wide range of activities from consumption to employment and political change.

### Increasing Women's participation in the Workforce

The labour force participation rate (LFPR) is the proportion of individuals who are actively engaged in the labour force relative to the total population. The female LFPR has been on a steady upward trajectory since 2017-18 with significant structural shifts. Older women with lower education levels are leaving the workforce, while younger women with higher educational attainment are entering it, leading to a rise in the number of women in salaried positions and a decline in informal wage work. The proportion of women working in agriculture is decreasing, with

more women moving into the services sector. This overall increase in female participation is largely driven by rural women joining the workforce, supported by government initiatives aimed at women's empowerment through education, skill development, entrepreneurship, and workplace safety. These policies have particularly benefited women from upper expenditure classes, who have seen a more significant rise in labour force participation, largely due to an increase in self-employment.

### Women's Labour Force participation rates



Note: 2023-24 refers to the period July 2023-June 2024 and likewise for previous years; LFPR is for the usual status

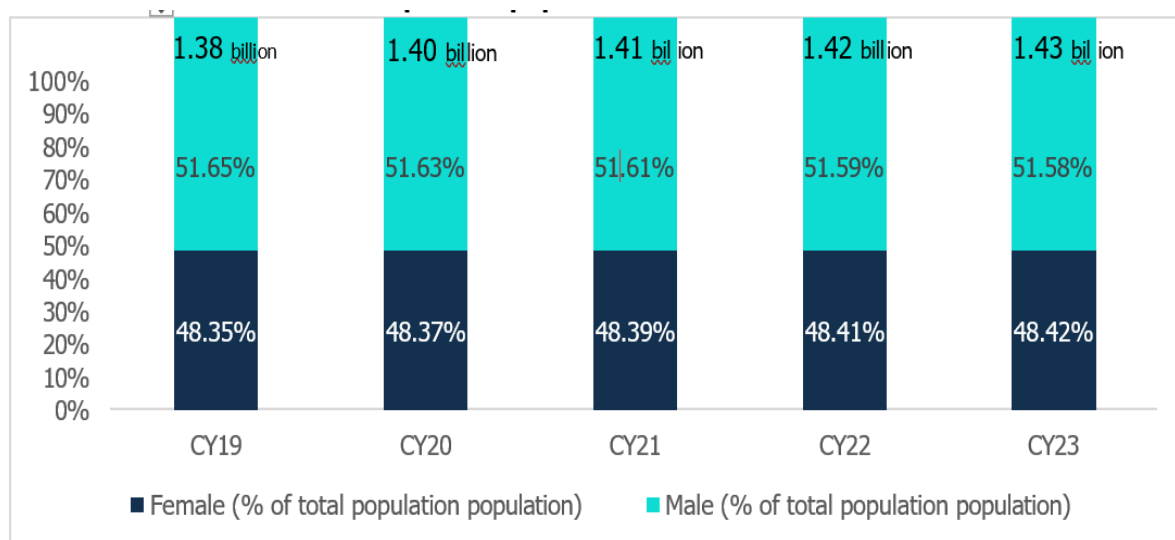
Source: PLFS

### Trends in Population Growth

#### Gender wise

From the period CY19 to CY23, the female population as a percentage of the total population has risen marginally from 48.35% in CY19 to 48.42% in CY23, while the male population share has declined slightly from 51.65% in CY19 to 51.58% in CY23

#### Gender-wise breakup of the population

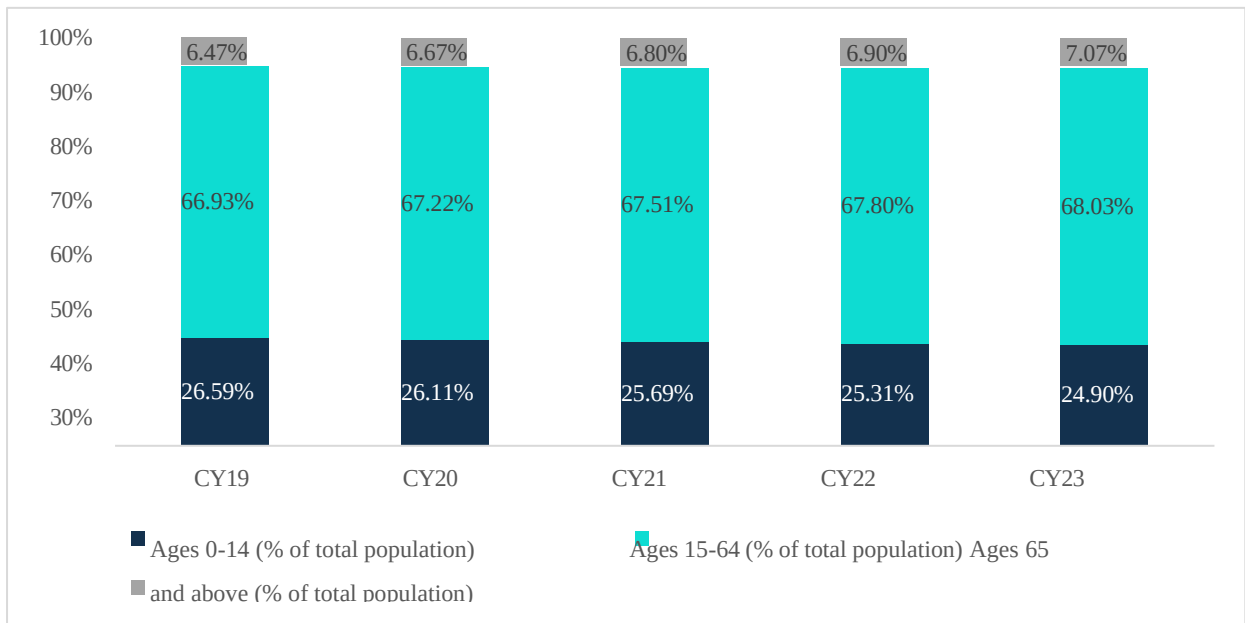


Source: World Bank Database

Age Wise

Population constituting 15-64 aged people constitute the majority share of the total population increasing from 66.39% in CY19 to 68.03% in CY23, reflecting the burgeoning youth populace in the country. The share of people aged 65 and above has only marginally increased from 6.47% in CY19 to 7.07% in CY23 while the share of people less than 14 years of age has declined from 26.59% in CY19 to 24.9% in CY23, reflecting a decline fertility rate in the country.

Age-wise breakup of the population

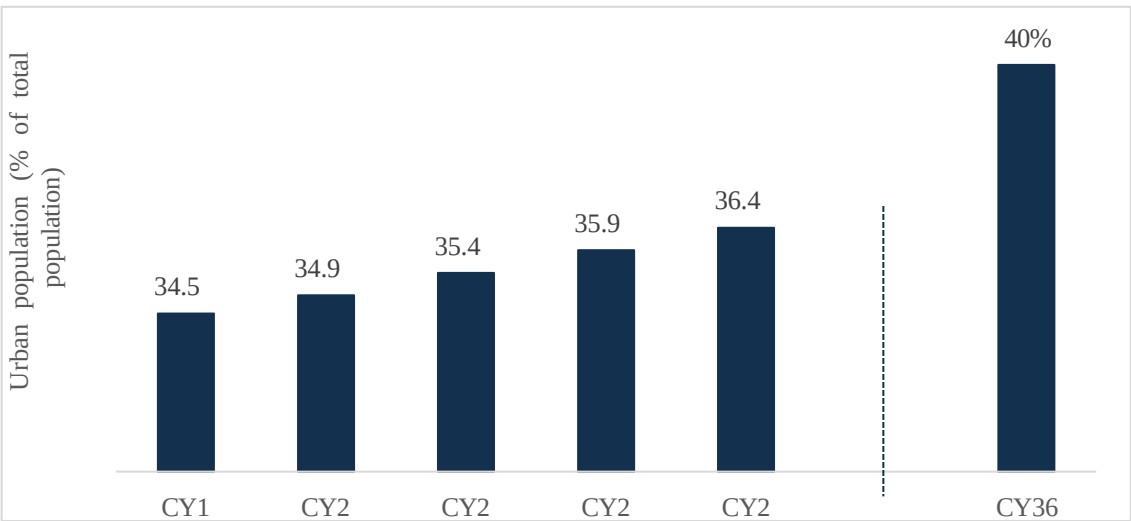


Source: World Bank Database

Urbanization

The urban population is significantly growing in India. The urban population in India is estimated to have increased from 476.8 million (34.5% of total population) in CY19 to 519.5 million (36.4% of total population) in the year CY23. People living in Tier-2 and Tier-3 cities have greater purchasing power.

Urbanization Trend in India

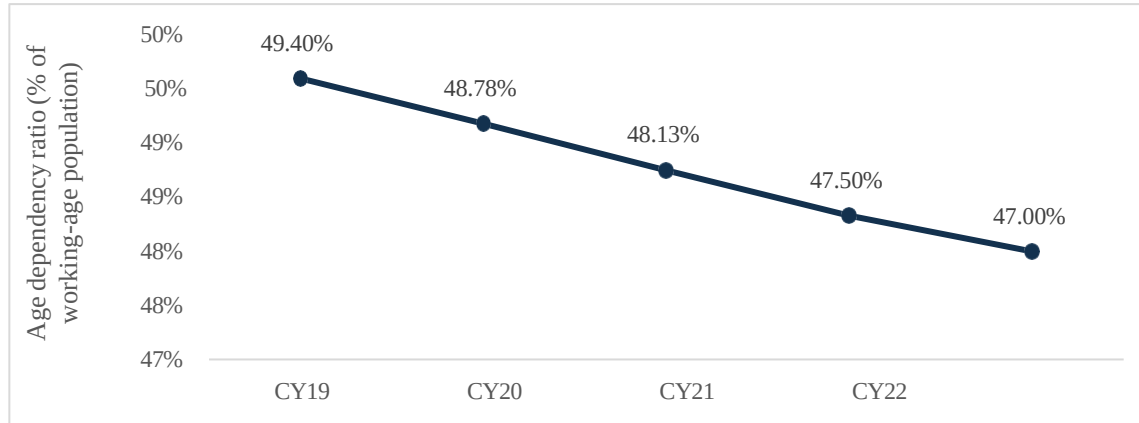


Source: World Bank Database; Note: F = Forecast\*

## Dependency Ratio

Age Dependency Ratio is the ratio of dependents to the working age population, i.e., 15 to 64 years, wherein dependents are population younger than 15 and older than 64. This ratio has been on a declining trend. It was as high as 76% in 1983, which has reduced to 47% in 2023. Declining dependency means the country has an improving share of the working-age population generating income, which is a good sign for the economy.

### Dependency Ratio trend in India



Source: World Bank Database

## Key structural reforms announced by the government of India

- **AtmaNirbhar Bharat Policy**

Initiated on May 13, 2020, by the Prime Minister, the Atmanirbhar Bharat Abhiyan (Self-Reliant India Campaign) aims to enhance India's self-reliance and economic resilience, particularly in response to the COVID-19 pandemic.

- The campaign is supported by a comprehensive economic package of Rs. 20 lakh crores, equivalent to 10% of India's GDP, designed to stimulate the economy and support various sectors during the pandemic.
- The strategy is built on five pillars:
  - **Economy:** Boosting economic growth and strengthening the economic structure.
  - **Infrastructure:** Developing modern infrastructure to support growth.
  - **Systems:** Enhancing efficiency and governance.
  - **Vibrant Demography:** Leveraging the demographic dividend through better employment opportunities and skills.
  - **Demand:** Stimulating consumer demand and fostering a robust market.
- Several reforms and enablers have been introduced across seven key sectors, including:
  - Supply Chain Reforms for Agriculture: To improve efficiency and reduce bottlenecks.
  - Rational Tax Systems: Simplifying tax laws to enhance compliance and ease of doing business.
  - Simple & Clear Laws: Streamlining legal processes to create a conducive business environment.
  - Capable Human Resources: Investment in skill development.
  - Strong Financial System: Strengthening institutions to support economic activities.

The Make in India initiative, launched in 2014, serves as a precursor to the Atmanirbhar Bharat vision. It focuses on positioning India as a global manufacturing and entrepreneurial hub, transforming the business environment across sectors. By addressing challenges like high logistics costs, boosting FDI in key areas like defence and infrastructure, and promoting industrial corridors and smart cities, Make in India laid the groundwork for enhancing India's domestic manufacturing capabilities. The Production Linked Incentive (PLI) scheme introduced under Atmanirbhar Bharat builds on this foundation to strengthen industrial growth and self-reliance.

This collective vision reflects India's journey towards greater economic independence and global competitiveness, focusing on reducing dependency on external factors while fostering innovation and investment.

### **Production Linked Incentive (PLI) Scheme**

Launched in March 2020, the PLI scheme aims to enhance domestic manufacturing capabilities, increase import substitution, and generate employment. It seeks to attract investments, boost production, and make Indian manufacturers globally competitive.

The scheme includes an ambitious outlay of Rs. 1.97 lakh crore (over US\$26 billion) to support 14 key sectors. The 14 key sectors covered are Mobile Manufacturing and Specified Electronic Components, Critical Key Starting Materials, Drug Intermediaries, and Active Pharmaceutical Ingredients, Manufacturing of Medical Devices, Automobiles and Auto Components, Pharmaceuticals Drugs, Specialty Steel, Telecom & Networking Products, Electronic/Technology Products, White Goods (Air Conditioners and LEDs), Food Products, Textile Products (MMF segment and technical textiles), High-Efficiency Solar PV Modules, Advanced Chemistry Cell (ACC) Batteries, and Drones and Drone Components. All 14 sector-specific PLI schemes have been approved and notified by the relevant Ministries or Departments and are at various stages of implementation.

The PLI schemes are designed to attract significant investments in cutting-edge technology, improve efficiency, and achieve economies of scale in the manufacturing sector. They are expected to significantly boost production, employment, and economic growth over the next five years.

### **Goods and Services Tax**

The Goods and Services Tax (GST) was introduced in India on July 1, 2017, to simplify India's tax system by replacing a complex system of Central and State taxes with a unified tax regime. It categorizes goods and services into different tax slabs (5%, 12%, 18%, and 28%) and exempts certain essentials. Special provisions like lower rates for gold and job work for diamonds, as well as a compensation cess on luxury and demerit goods, were also included.

- The manufacturing sector has seen significant advantages from GST's unified tax regime. By eliminating cascading taxes and introducing the Input Tax Credit (ITC) mechanism, production costs have been reduced. This shift has enhanced efficiency and competitiveness for manufacturers.
- The GST system has had varied effects on the services sector. While higher tax rates on services such as telecommunications and banking have increased consumer spending, lower rates have boosted demand in sectors like hospitality and airlines. The simplified tax structure has improved operational efficiency in the hospitality industry.
- GST has positively impacted Indian exports by removing the cascading effect of multiple taxes, reducing production costs, and enhancing competitiveness in the global market. The ability to claim input tax refunds has improved exporters' working capital management and cash flow, making compliance easier and more cost-effective.

### **Global Gems and Jewellery Industry**

#### **Overview of the Global Gems and Jewellery Industry**

The global jewellery market is shaped by diverse economic trends, cultural practices, and shifting consumer preferences. The interest in gold chains and necklaces extends beyond just weddings and unique events. People are increasingly wearing platinum and gold rings, delicate gold chains, bracelets, and anklets as everyday fashion

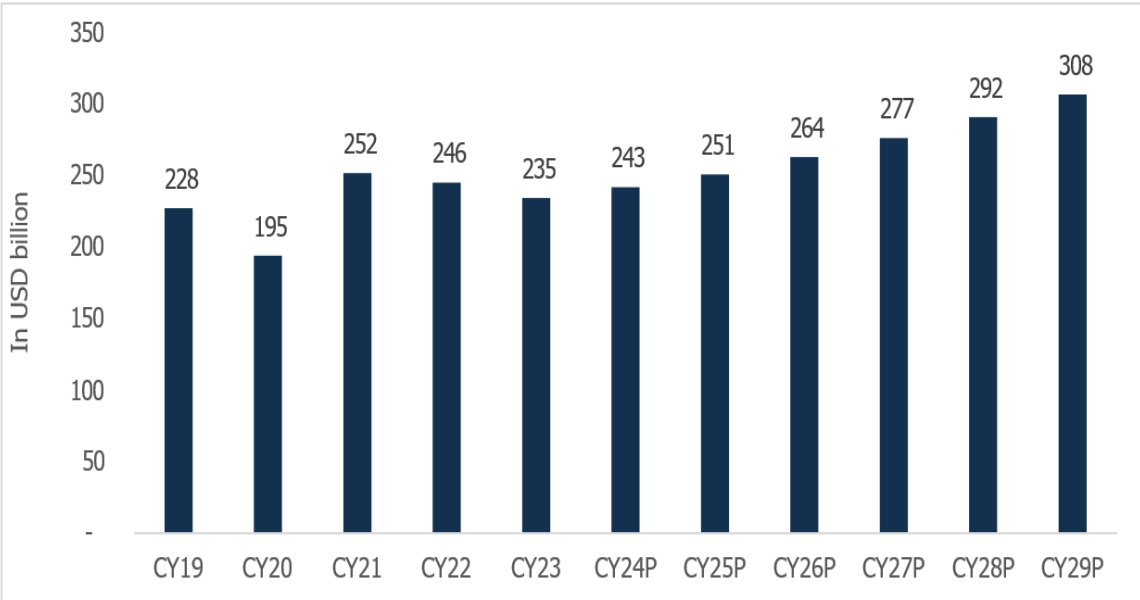
accessories. These items are also commonly given as gifts for occasions like birthdays and anniversaries. This shifting consumption pattern is likely to drive market growth. Modern designs and emerging fashion trends are drawing in customers, and manufacturers are capitalizing on these frequent changes by creating unique products to attract buyers. Coloured gemstones such as emeralds, sapphires, and opals are gaining prominence, adding vibrant touches and uniqueness to jewellery collections. While classic earring and necklace sets remain popular, artificial jewellery is exploring new avenues, with items like hair clips, headbands, anklets, and waist chains gaining popularity as ways to showcase personal style.

The global gold jewellery market is likely to grow due to increasing consumer disposable income and the appeal of gold as a long-term investment. Gold is considered a haven, and most investors turn to gold during market turmoil for safe investment. Between CY19 to CY23, the global jewellery market rebounded, achieving a Compound Annual Growth Rate (CAGR) of ~9%. The global jewellery market size was valued between USD 235 and USD 245 billion in CY23 and is projected to reach USD 247– USD 257 billion by 2028, exhibiting a CAGR of 5%.

Annually, around 3,600 tons of gold is mined globally, around 1200 tons of gold is recycled, and around 4,400 tons of gold is consumed for various purposes like, jewellery fabrication, technology, investments, etc. Around 52% of the total gold demand comes from China and India. China is the largest country producing gold in the world, accounting for around 10% of total CY23 gold production. Africa which includes various other countries produces around 28%, whereas Asia produces 18% of total newly mined gold. Central and South America produce around 15%, North America produces around 13%, and Australia and Russia produce around 8% of the total newly mined gold.

**Market Size and Trend of the Global Gems and Jewellery Industry**

**Global Gems and Jewellery Market Size (CY19-CY29P)**



Source: IMARC Group, CareEdge Research

In CY23, the global gems and jewellery industry was valued at around USD 235 billion and there was a stagnant CAGR of 1% during CY19–CY23. This is due to economic uncertainties, pandemic-related disruptions, and shifting consumer preferences toward essential spending. There has been a slight slowdown in CY23 compared to CY22 due to the ongoing economic slowdown caused by geopolitical tensions and regional conflicts. However, the gems and jewellery market is expected to reach USD 308 billion by CY29, driven by economic recovery, rising disposable incomes in emerging economies, and increased demand for innovative and ethically sourced jewellery options.

The global gems and jewellery market is expected to experience steady growth in the coming years, fueled by emerging economies and rising disposable incomes. Although gold and diamond jewellery will continue to dominate

the market, alternative materials are likely to see increased demand due to concerns over ethics and affordability. Additionally, the growth of e-commerce platforms and innovations in jewellery design technology are anticipated to drive significant expansion.

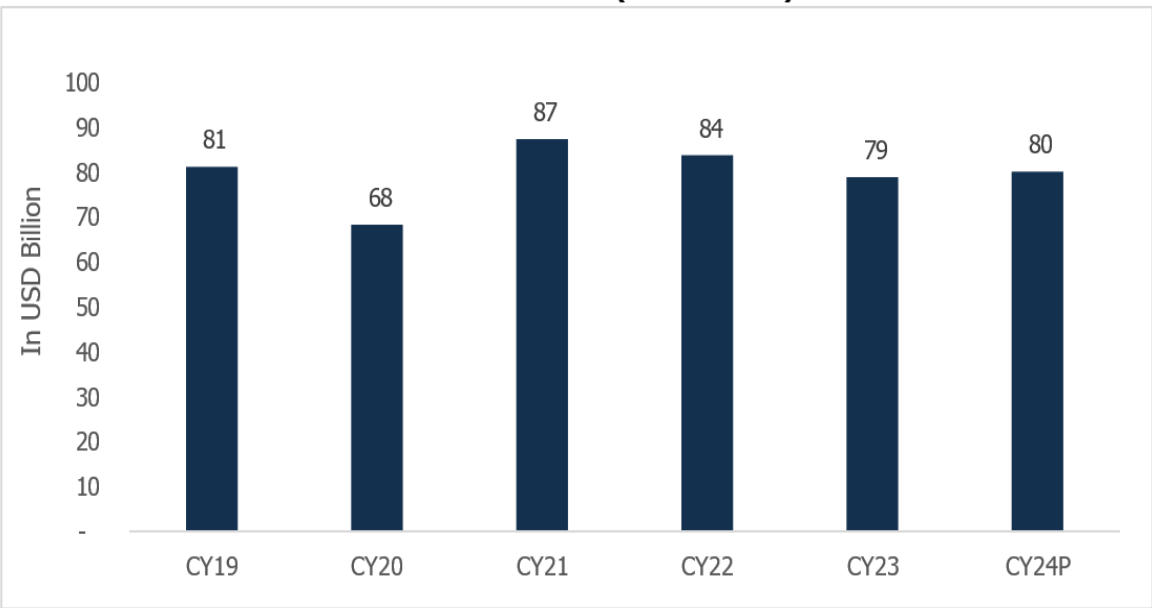
**Overview of the Global Diamond Demand and Industry Trend**

The global diamond market is a complex and dynamic sector, encompassing everything from the mining and extraction of rough diamonds to the polishing and retail of finished jewellery. Diamonds are not only prized for their rarity and beauty but are also considered a symbol of luxury, status, and investment. The market operates through a vast network of producers, manufacturers, wholesalers, retailers, and consumers, with diamonds being traded across multiple countries, driven by both traditional demand and emerging trends.

The diamond jewellery market is witnessing a notable shift toward sustainable and ethical practices. With lab-grown diamonds gaining popularity, there is a move toward environmentally friendly options that attract younger, eco-conscious buyers. Online sales channels are also a strong trend, with e-commerce platforms and virtual try-on technologies making diamond jewellery more accessible to a broader audience.

Additionally, personalised and custom-designed jewellery is in high demand, as consumers increasingly look for unique pieces that reflect personal style. This trend is particularly pronounced among millennials and Gen Z buyers who seek individuality in their jewellery choices.

**Market Size of Global Diamond Market (CY19-CY24P)**



Source: IMARC Group, CareEdge Research

In CY23, the total market size for the diamond market by global consumers was estimated at USD 79 billion as compared to 84 billion in CY22. The demand dropped by 6% y-o-y in CY23 as compared to the previous year. The demand is however expected to normalize in CY24 and reach USD 80 billion.

The decline in market size is attributed to reasons like the cannibalization of cut and polished diamonds due to the growth of lab-grown diamonds. This has also led to a decrease in overall diamond prices, leading to oversupply. The mining companies have also cut production, leading to layoffs of workforce in this sector.

However, going ahead, the popularity of lab-grown diamonds is likely to continue reshaping the market, creating a competitive landscape between traditional and synthetic diamonds. Further, increasing urbanization and rising middle-class incomes may also boost the demand.

## Overview of the Global Gold Demand and Industry Trend

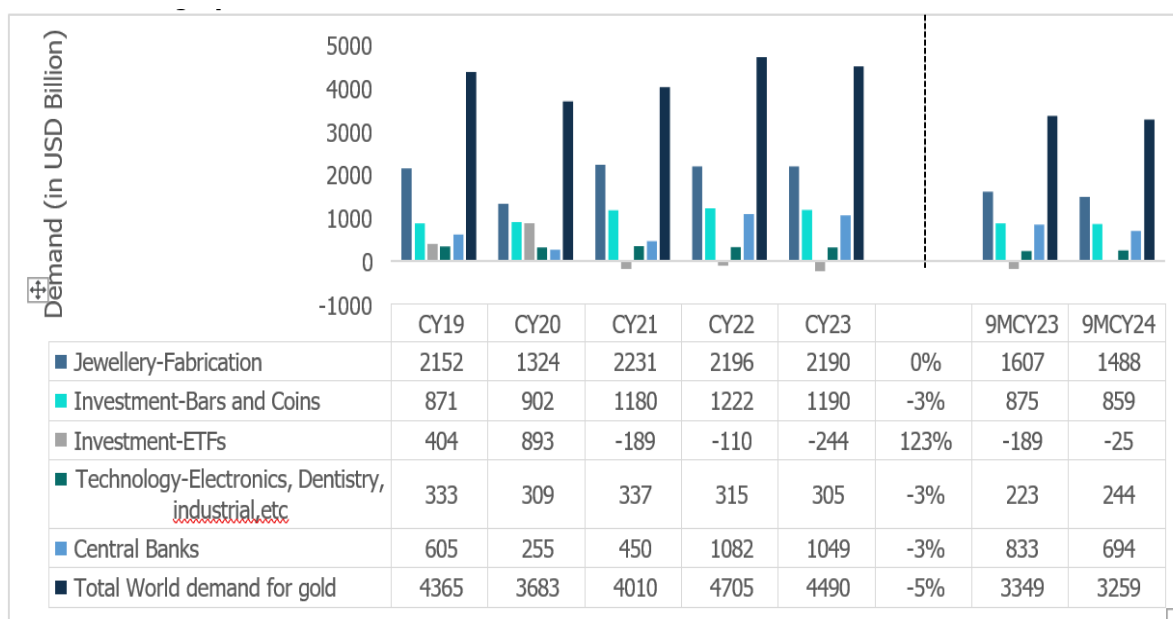
Beyond its monetary value, gold carries deep emotional and cultural significance in many societies, making it a sought-after asset for various purposes. People across the world purchase gold for varied reasons, which are often shaped by local traditions, economic conditions, and broader global trends. Gold demand is influenced by a range of factors, including the state of the global economy, geopolitical developments, shifts in investor sentiment, and evolving industrial and technological uses.

Gold's versatility contributes to its demand in several key sectors: it is highly prized in jewellery, used in advanced technology, and accumulated by central banks as part of their reserve strategies. Additionally, gold is a popular choice among individual and institutional investors looking for safe-haven assets. The relative importance of these sectors can shift depending on the phase of the global economic cycle, with certain areas of the market—such as investment demand during periods of financial instability or jewellery demand during cultural celebrations—taking centre stage at various times.

This diversity of demand across multiple industries, and the self-adjusting nature of the gold market helps stabilize its value, making gold a resilient and attractive asset. Whether for wealth preservation, industrial use, or cultural purposes, gold's broad range of applications ensures that it maintains its significance, offering both a hedge against economic uncertainty and a tangible store of value.

### Category-wise Gold Demand

### Category-wise Gold Demand



Source: WGC, CareEdge Research

Note: Jewellery Fabrication includes jewellery consumption and jewellery inventory

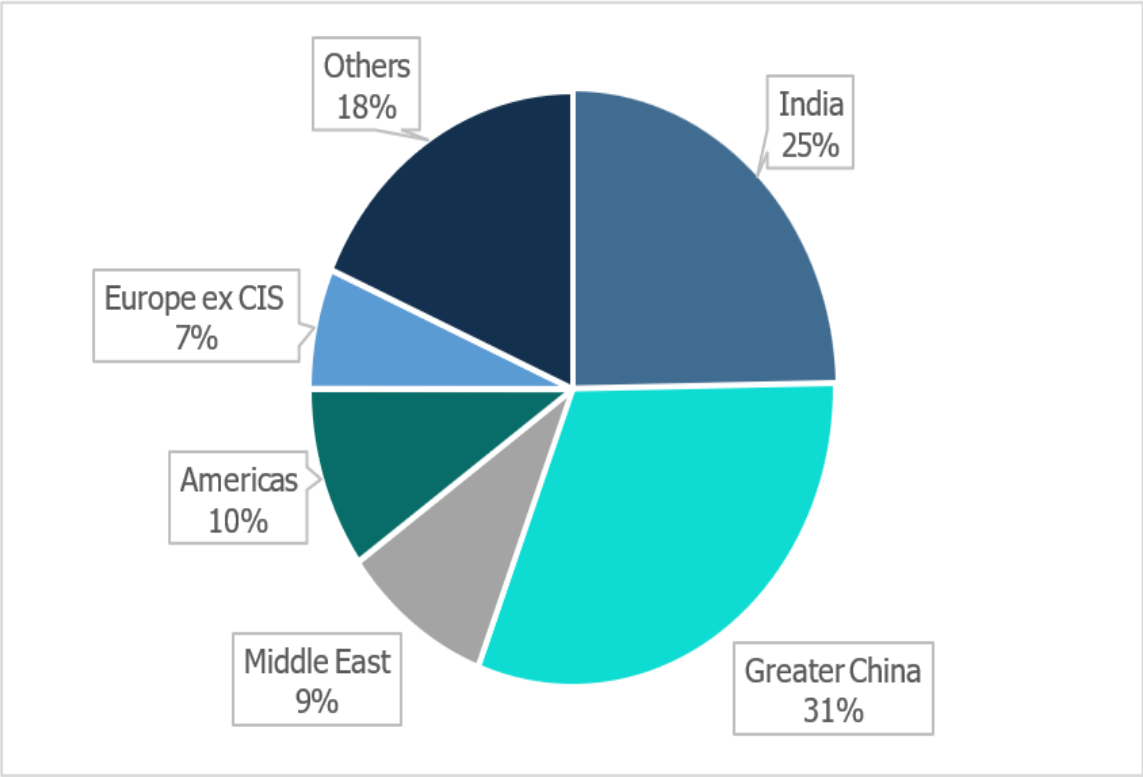
In CY23, the total demand for gold demand by global consumers was estimated at 4,490 tonnes as compared to 4,705 tonnes in CY22. For, 9MCY24 the gold demand remained flat at 3,259 tonnes as compared to 9MCY23 which stood at 3329 tonnes. The majority share in global gold demand consists of gold jewellery which is 49% for CY23 and around 46% for 9MCY24 followed by bars and coins which consist of, 26% of total gold demand for CY23 and 9MCY24.

The global gold jewellery demand remained more or less stable for CY23 however for 9MCY24 it showed a 7% y-o-y decline as compared to 9MCY23. One of the main reasons was the rally in gold prices, which curtailed the overall

demand. The gold prices reached an all-time of USD 2,567 per troy ounce in September 2024. But the investments have seen considerable improvement which is driven due to falling interest rates, geopolitical diversification and momentum buying. Buying by the central bank remained stable at 1049 tonnes for CY23 and for 9MCY24 it was 694 tonnes.

**Region-wise Share of Gold Consumption in Volume Terms for Jewellery, Bars, and Coins**

**Region-Wise Share of Gold Jewellery, Bars, and Coins (CY23)**



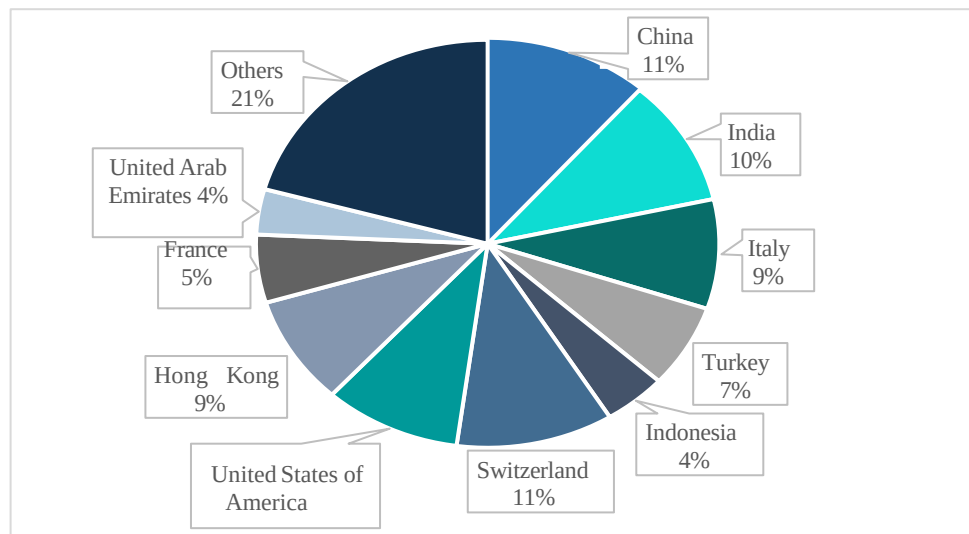
Source: WGC, CareEdge Research

China consumes the maximum share of world jewellery, bars and coins followed by India. China in total consumed around 959 tonnes of gold in the form of jewellery and bars & coins in CY23 followed by India with 761 tonnes. Other key regions after China and India are, America (305 tonnes), the Middle East (285 tonnes) and Europe (202 tonnes). In 9MCY24 the jewellery demand for China was 537 tonnes as compared to 495 tonnes in 9MCY23 showing a decline of 9% y-o-y. Overall all the regions have seen a y-o-y decline. On the other hand, China’s demand for bars and coins increased in 9MCY24 by around 28% y-o-y. Overall, China and its government have been increasing their gold reserves and using it as a haven.

**Global Trade Scenario**

**Trend in the Export Market for the Gems and Jewellery Industry**

### Top 10 Exporter Countries (in %) (CY23)

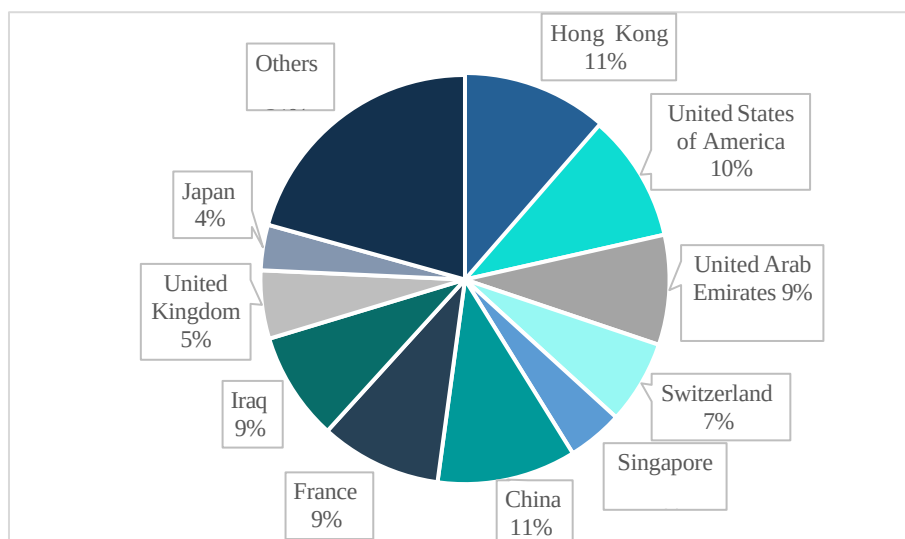


Source: IMARC Group, CareEdge Research

In CY23, China remained the top exporter of jewellery globally, accounting for 11.4% of total exports, reflecting its significant capacity for large-scale, cost-efficient production. Switzerland ranked second with an 11.0% share, reflecting its consistent growth as a leading exporter, driven by expert artisnary and competitive pricing. India (10.1%) and the USA (9.6%) highlighted their dominance in artisanal and high-end jewellery production, catering to premium markets. Italy, with an 8.7% share, upheld its reputation for luxury and exquisitely crafted jewellery. Hong Kong and Turkey, with shares of 8.6% and 6.6%, respectively, continued to strengthen their positions as major trade hubs in the jewellery industry, bolstered by their strategic locations and strong trade networks.

### Trend in Import Market for Gems and Jewellery Industry

#### Top 10 Importer Countries (in %) (CY23)



Source: IMARC Group, CareEdge Research

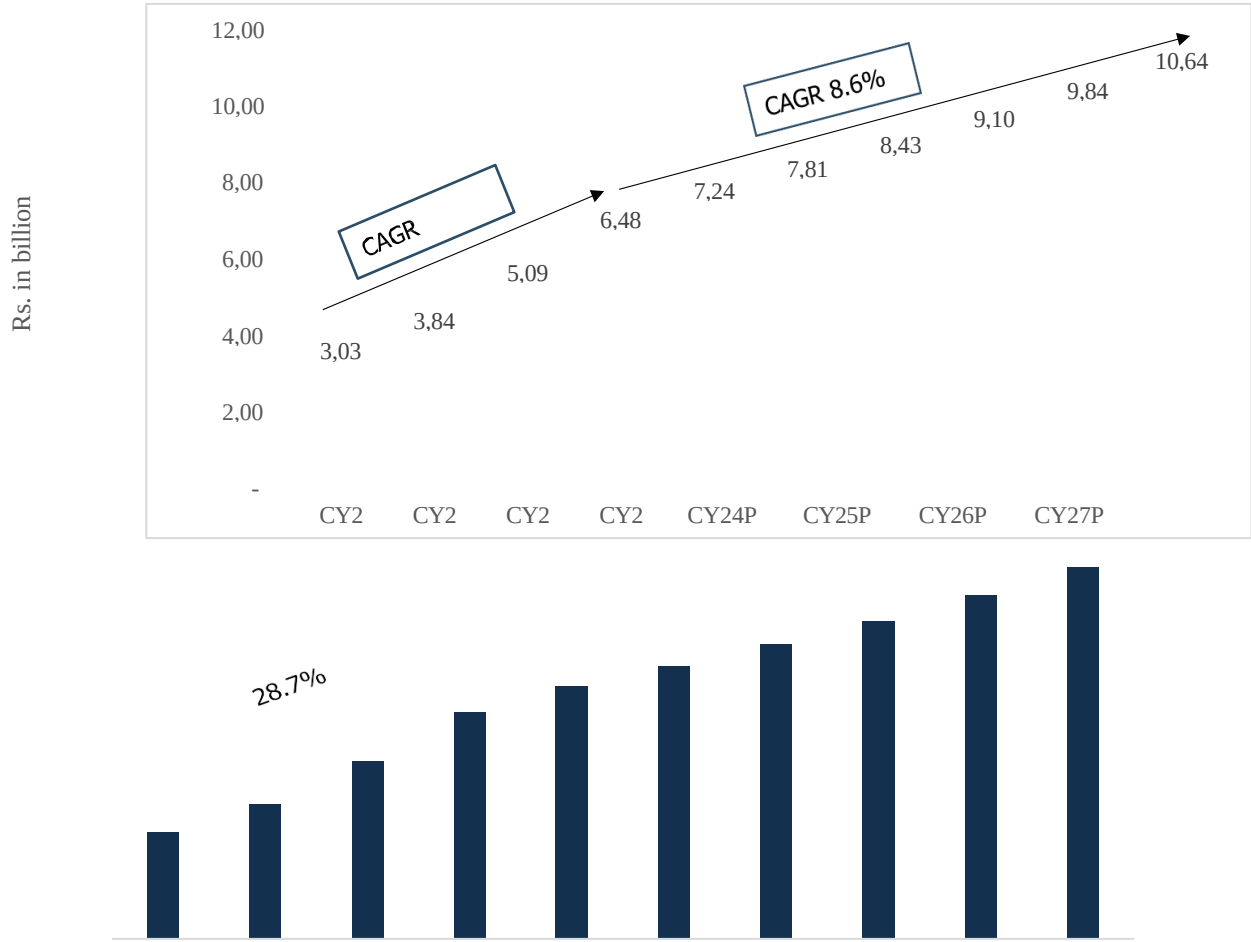
In CY23, Hong Kong remained the top jewellery importer, with a 19% share. The UAE and USA followed with 13.1% and 11.9%, respectively, highlighting their roles as luxury hubs serving both domestic and international consumers. Switzerland accounted for 8.5%, benefiting from its reputation as a prime shopping destination. China made up 4.8% of imports, reflecting the stability of its luxury market, while Turkey entered the top 10 with a 2.2% share, indicating a rising demand for jewellery imports in emerging markets.

**Indian Gems and Jewellery Industry**

**Indian Gems & Jewellery Industry Market Size**

In CY23, the domestic gems and jewellery industry was valued at around Rs. 6,482 billion and there was a CAGR of 28.7% during CY20–CY23. Further, the gems and jewellery market are expected to grow at a CAGR of 8.6% between, CY23 and CY29. The long-term demand prospects for the sector are supported by a growing working population, higher disposable income, easier access to credit, and improved living standards. To cater to the changing consumer preferences and design trends, larger stores are offering more variety and a diverse range of jewellery. This continuous adaptation to consumer trends and behaviour is likely to further support the shift towards the organized jewellery segment.

**Indian Gems & Jewellery Industry Market Size (CY20-CY29P)**



Source: IMARC Group, CareEdge Research

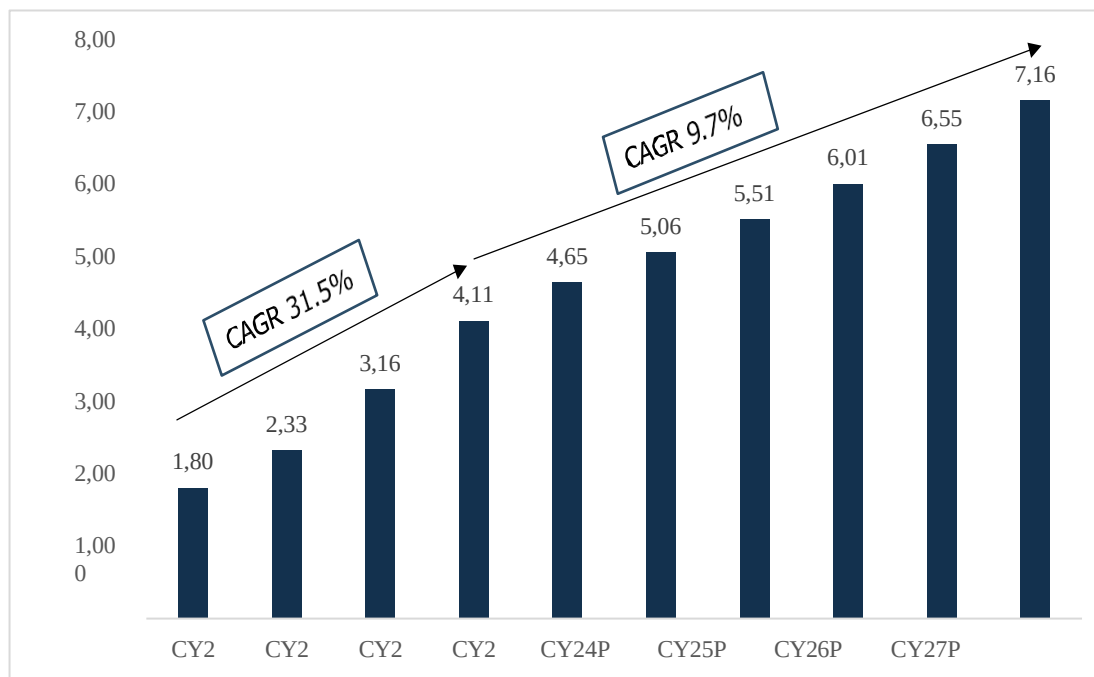
The Indian Gems and Jewellery (G&J) business has traditionally been fragmented with consumers purchasing from family jewellers. The fragmented nature of this sector makes it difficult to quantify the number of jewellers in India.

However, the industry has seen structural transformation in the recent decade with more G&J players moving up the value chain with a greater focus on branded jewellery. Moreover, consumers are more predisposed to branded jewellery particularly in metro & tier I cities, given the rising media and Western influences and willingness to pay a premium price.

#### Indian gold jewellery industry market size (CY20-CY29)

The Indian jewellery market is traditionally dominated by gold jewellery. Gold jewellery purchases in India are not just limited to consumption as is the case with fashion jewellery. They have a strong saving significance. This is more evident in rural communities where access, literacy, and acceptance of other financial savings instruments are low. These factors have resulted in gold being a major saving asset class. Cultural differences, religious & trust concerns, and other elements that influence jewellery purchases have all contributed to gold jewellery's significance.

#### Indian Gold Jewellery Industry Market Size (CY20-CY29P)

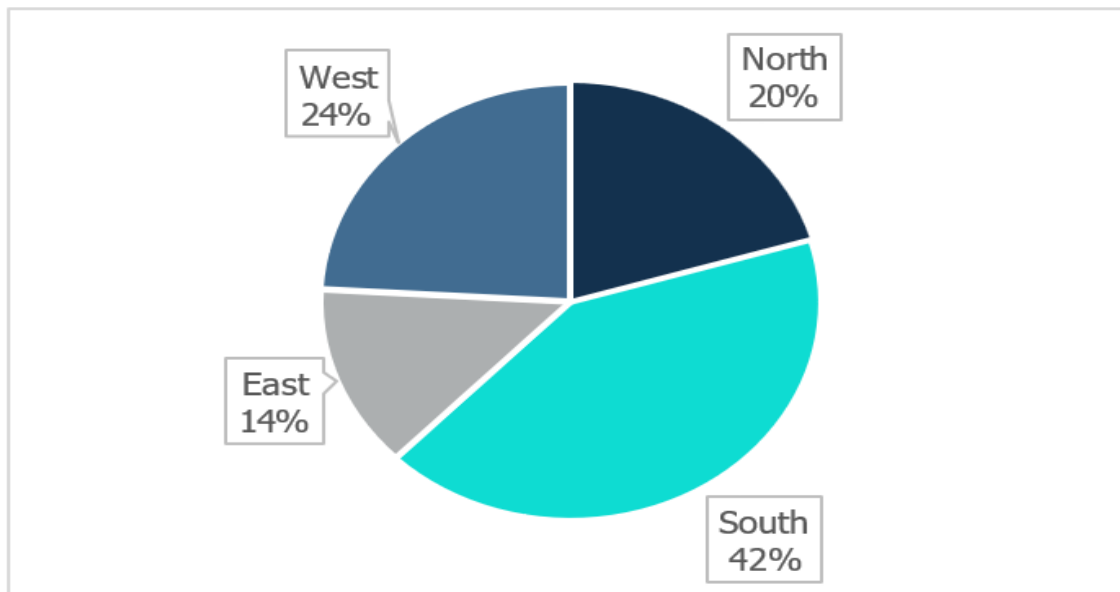


Source: IMARC Group, CareEdge Research

In CY23, the domestic gold jewellery industry was valued at around Rs. 4,115 billion and there was a CAGR of 31.5% during CY20 and CY23. However, in CY23, the demand for gold jewellery remained subdued in terms of volume and declined by about 2%, while the gold price registered a ~7% increase compared to its previous year.

In CY24 the Indian jewellery market is expected to grow by 13.1% y-o-y to Rs.4,653 billion. Furthermore, the market is expected to grow at a compounded annual growth rate (CAGR) of 9.7% between CY23 and CY29 to Rs 7,162 billion. In India, the surge in demand for gold jewellery can be attributed to the growing middle-class population and their increasing disposable income levels. As more individuals experience higher income levels, they are more capable of affording luxury items like gold jewellery. These growing middle-class views gold jewellery as a status symbol, a reflection of their improved lifestyle, and a worthwhile investment. The trend is especially prominent in urban areas where economic growth has enhanced financial independence and purchasing power.

### Indian Gold Jewellery Industry Breakup by Region (% Share) in CY23



Source: IMARC Group, CareEdge Research

Jewellery preferences vary significantly across different age groups, reflecting the evolving interests, lifestyles, and values of Indian women. Every demographic has diverse needs and perspectives, from senior women who value traditional motifs to young brides who choose modern patterns. Furthermore, according to a report by the World Gold Council, recent interactions between Metals Focus and retailers have highlighted a significant increase in demand for lightweight jewellery, especially in the daily wear segment. For instance, it is now common to find chains or Mangalsutras weighing just 5-8 grams, a development that would have been unlikely five years ago. This surge in demand can be attributed to the rising per capita income, increased expenditure on jewellery, a higher number of weddings in India, and the influence of social media. These demographic shifts have significantly impacted gold jewellery purchases in recent years.

Regional demographics play a crucial role in influencing purchase decisions. In South India, the tradition of investing heavily in gold jewellery, is deeply ingrained, with families often prioritizing substantial, intricate designs that reflect both wealth and cultural heritage. The emphasis on gold as an investment also drives higher expenditure in this region.

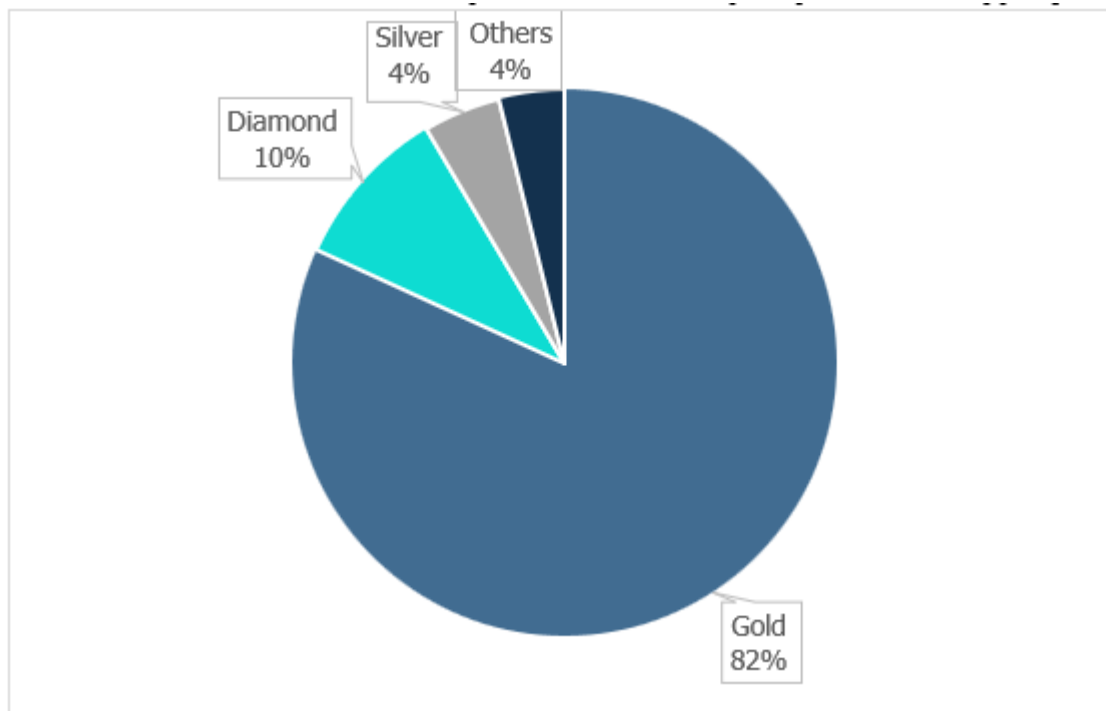
In contrast, Maharashtra sees continuous spending on jewellery, driven by strong replacement demand. Women in this region often buy new pieces or upgrade existing ones, reflecting both cultural practices and evolving fashion trends. The state's inclination towards nath (nose rings) and kamarband (waistbands) also influences the jewellery market.

In North India, the preference for heavy gold jewellery remains strong, but there is a growing trend towards more versatile, lightweight designs that cater to modern lifestyles. Meanwhile, in Eastern India, especially Bengal, traditional motifs inspired by nature dominate jewellery designs, reflecting the region's rich cultural heritage.

### Indicative Share of Indian Gems and Jewellery Industry

India's gems and jewellery market is one of the largest and most vibrant in the world, deeply embedded in the country's cultural and economic life. The market can be divided by material type, with gold, diamonds, gemstones, and other materials each playing a significant role in its diversity and value.

### Gems and Jewellery Market Breakup- By Material Type (CY23)



Source: IMARC Group, CareEdge Research

In 2023, gold was the dominant material in India's gems and jewellery market, making up 81.8% of the total market share. It was followed by diamonds (9.7%), silver (4.6%), and other materials (3.9%).

**Gold:** Gold remains the foundation of India's jewellery market, due to its cultural and historical importance. It is highly prized for weddings and festivals, and as an investment, often seen as a symbol of wealth and social status. Although demand fluctuates with market prices and economic factors, gold jewellery continues to be in strong demand, thanks to its deep ties to tradition. There has also been a growing interest in lighter, more modern gold jewellery designs, particularly among younger consumers, adding a contemporary layer to the traditional market.

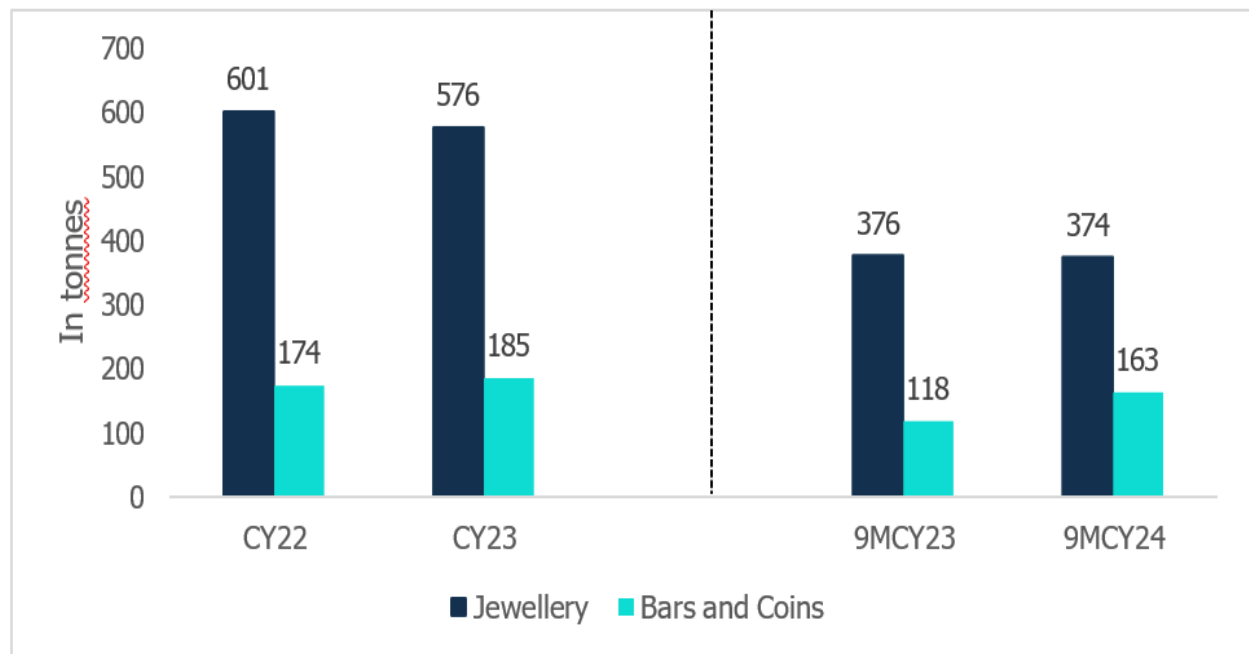
**Diamond:** The diamond jewellery sector in India has seen robust growth in recent years, particularly among consumers looking for luxury and exclusivity. Diamonds are a popular choice for special occasions, particularly weddings, and are often seen as a symbol of sophistication. This segment is supported by a strong retail presence and branding efforts from both domestic and international jewellers. Innovations in diamond cutting and bespoke design options have further driven interest, making diamond jewellery a staple in modern Indian collections.

**Silver:** Silver is valued for its affordability and versatility, appealing to a broader customer base. It is commonly used in both traditional and modern jewellery designs, such as bangles, anklets, and earrings. Silver also plays a key role in fashion jewellery, where its flexibility allows for more creative and experimental styles. The material has gained popularity due to its cost-effectiveness in comparison to gold and diamonds, particularly among middle-income consumers. Additionally, the rise of silver-plated and sterling silver items has introduced a modern twist to traditional designs, catering to changing consumer preferences.

**Others:** The "others" category encompasses a variety of materials, including gemstones and non-traditional metals. Fashion jewellery incorporating synthetic and alternative materials is on the rise, attracting consumers who seek trendy yet affordable options. This segment is particularly appealing to fashion-forward buyers looking for unique, budget-friendly pieces.

## Domestic Gold Demand from Various Segments

### Trend in Domestic Gold Demand- in Volume Terms



Source: WGC, CareEdge Research

## Details on the Diamond Industry and Lab-Grown Diamonds Industry in India

### Overview of the Diamond Industry

India is a global powerhouse in diamond processing, producing over 70% of the world's polished diamonds, with Surat, Gujarat, at the core of this activity. This expertise has established India as a key supplier in the global diamond value chain, known for its high-quality and cost-effective manufacturing. India's deep cultural connection to jewellery, particularly gold and diamonds, further solidifies its position in the market.

#### Cut and Polished Diamond

Export: CPDs constitute over 50% of the total Gems and Jewellery export. They are exported to destinations like the USA, Hong Kong, the UAE, Belgium, Israel, Thailand, Switzerland, Japan, and the UK. The USA is a key market for Indian CPD exports with 35.1% of export share in FY24. Hong Kong is the second largest export market with a 27.3% share followed by the UAE.

### Country-Wise Exports of Cut & Polished Diamonds

| Countries | FY22<br>Billion) | (Rs | FY23<br>Billion) | (Rs | FY24(Rs.<br>Billion) | Y-o-Y<br>Growth (%)<br>2024vs<br>2023 | Share in cut<br>and polished<br>diamond<br>exports (%)<br>for FY24 |
|-----------|------------------|-----|------------------|-----|----------------------|---------------------------------------|--------------------------------------------------------------------|
| USA       | 735              |     | 638              |     | 463                  | -27.4%                                | 35.1%                                                              |
| Hong Kong | 476              |     | 447              |     | 361                  | -19.2%                                | 27.3%                                                              |
| UAE       | 153              |     | 173              |     | 142                  | -17.7%                                | 10.7%                                                              |
| Belgium   | 104              |     | 163              |     | 140                  | -14.2%                                | 10.6%                                                              |
| Israel    | 101              |     | 960              |     | 533                  | -44.5%                                | 4.0%                                                               |

## **Rough Diamond**

India is dependent on imports of rough diamonds due to limited domestic reserves. Once processed into cut and polished diamonds, the rough diamonds are either exported or consumed domestically in jewellery, etc.

During FY24, rough diamond imports stood at Rs. 1180.4 billion in value terms and contributed with a 64% share in total G&J imports. The imports were lower by 15.4% on a y-o-y basis due to the slump in supply and degrowth in CPD export demand. The UAE (60%) was the largest contributor to Indian rough diamond imports in FY24 followed by Belgium (17.3%), Russia (8.1%), Canada (4.5%) and South Africa (3.5%).

## **Overview of Lab-Grown Diamonds**

The gems & jewellery sector played a significant role in the Indian economy, contributing 7.6% to India's total merchandise exports from April to February 2023-2024. One of the major technological developments in this sector has been laboratory-grown diamonds (LGD).

LGDs are authentic diamonds produced in laboratories by replicating the natural diamond formation process that occurs beneath the earth's surface. Consequently, LGDs exhibit the same chemical, thermal, optical, and physical properties as mined diamonds. However, since they are not extracted through mining, LGDs mitigate the social and environmental impacts associated with mining activities. This makes LGDs environmentally sustainable and contributes to saving our natural resources. Furthermore, by eliminating the expenses related to mining, LGDs become notably more cost-effective, as compared to naturally mined diamonds.

However, the technology for consistently producing gem-quality LGDs is highly capital-intensive and time-consuming. Both LGDs and natural diamonds undergo grading based on the 4Cs – carat weight, colour, clarity, and cut.

Moreover, lab-grown diamonds are also used in computer chips, satellites, and 5G networks as they can be used in extreme environments due to their potential to operate at higher speeds while using less power than silicon-based chips. LGD has vast applications in the defence, optics, jewellery, thermal, and medical industries.

To enhance domestic production, the Finance Minister announced a five-year research and development grant. Additionally, a reduction in customs duty on seeds utilized in the production of lab-grown diamonds was proposed to decrease production costs alongside promoting domestic manufacturing.

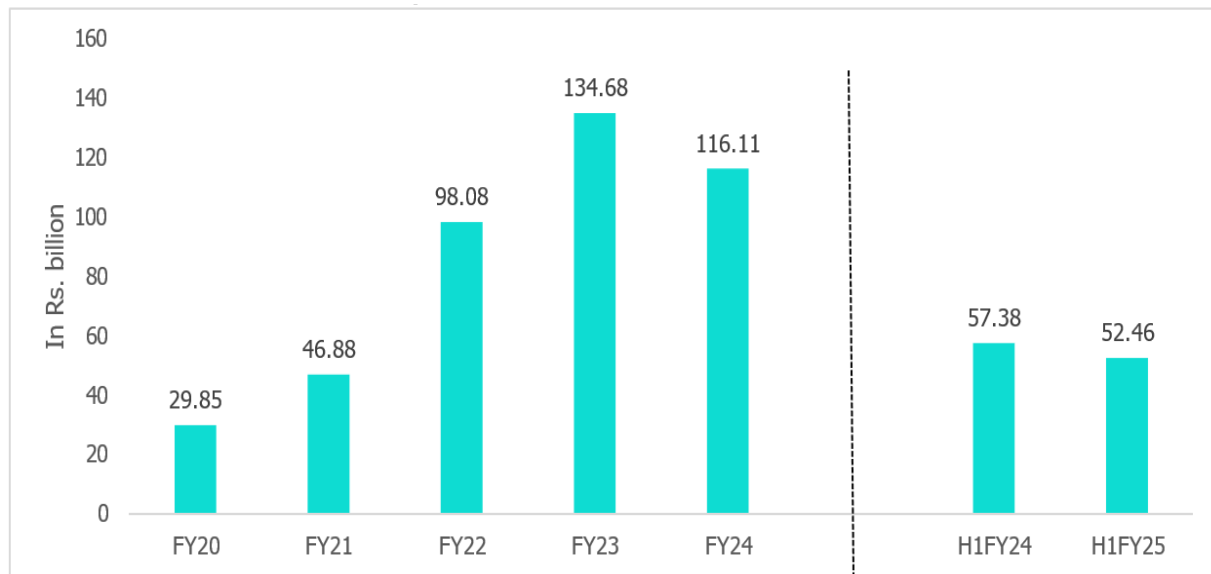
## **Market Size**

India produces over three million lab-grown diamonds a year and accounts for 15% of the global production. At present, India is the second-largest producer of lab-grown diamonds, trailing behind China. Other than China and India, countries like the U.S., Singapore and Russia are also leading manufacturers of lab-grown diamonds. In 2022, the market for lab-grown diamond jewellery in India was valued at USD 264.5 million. In 2023, the expected value of the domestic lab-grown diamond market is USD 300 million.

## **Declining Prices Lead to Lower Exports**

Like the Cut and Polished Diamonds (CPD), the declining price of LGD during recent times has resulted fall in India's exports of LGD to key export destinations. Exports of LGD have recorded a decline of 13.8% from Rs. 134.68 billion in FY23 to Rs.116.11 billion in FY24. In H1FY25 LGD exports have shown a decline of 8.6% y-o-y and reached Rs.52.46 billion.

## Lab-Grown Diamonds Exports



Source: GJEPC

During FY24, the USA, Hong Kong, and UAE collectively dominated India's export for lab-grown diamonds, accounting for 90% of the total exports. The exports of LGD saw ~60% CAGR from FY16 to FY23, however from FY23 to FY24 there was a decline of 13.8% y-o-y. The exports to all other countries witnessed a decline except for countries like Germany, the UK, Italy, and China showing significant export growth during FY24. The G7 ban on Russian-origin diamonds may be one of the reasons for this. The primary reasons behind the export decline are attributed to reduced prices of lab-grown diamonds, showing that volumes are intact, and prices are resulting in lower export value. Other than this, there have been more suppliers entering the market leading to rapid growth in production and an increase

in supply. The average price per carat for LGD is US\$198.22 for 10MFY24 whereas the price of natural diamond per carat is US\$4357 for 10MFY24.

## Prices of Lab-Grown Diamonds

| Months                  | FY22     | FY23     | 10MFY24  | Natural Diamond Price per Carat (10MFY24) |
|-------------------------|----------|----------|----------|-------------------------------------------|
| Average Price per carat | \$238.21 | \$355.51 | \$198.22 | \$4357                                    |

Source: GJEPC, Industry Sources

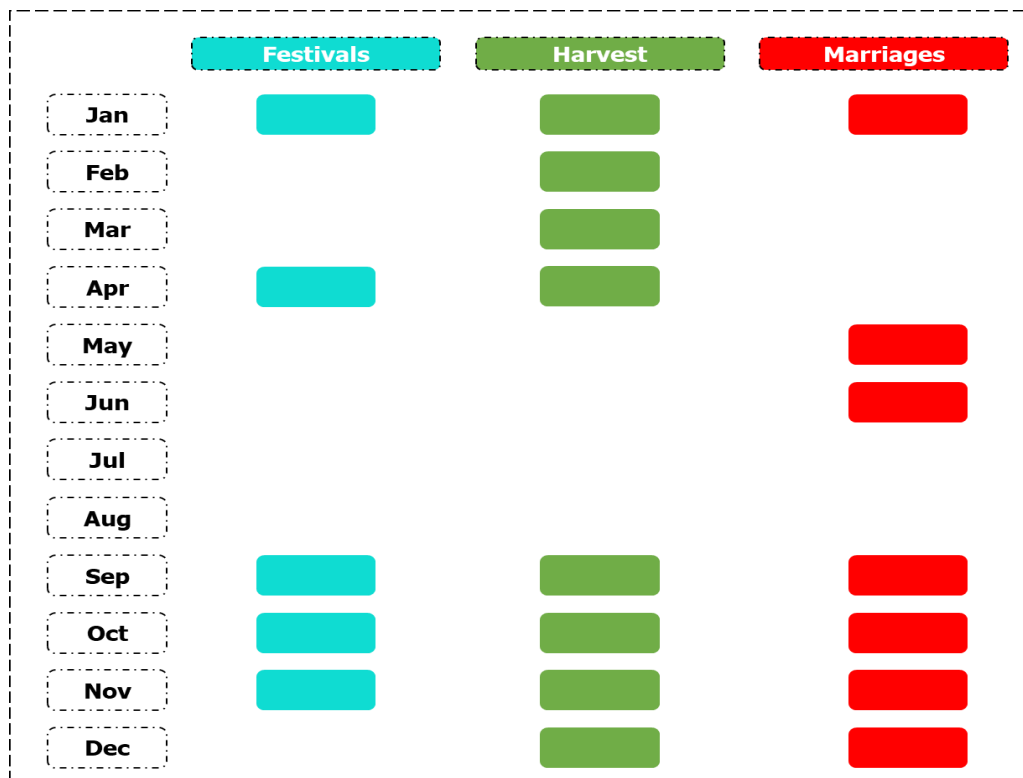
India with more than 6,000 machines and reactors for producing LGDs, has increased its production capacity over the years. The cost of production of LGD has significantly reduced over a decade and going forward is likely to stabilize.

## Key Demand Drivers and Opportunities for Jewellery in India

### Weddings and Festivals Drive Domestic Demand:

Seasonality in jewellery buying is a key factor that influences demand heterogeneity in India. Weddings, festivals, and harvests in rural regions are the main drivers of the category, and the seasonal nature of each of these drivers assures that demand for jewellery is tied to the different months and seasons.

### Seasonality in Jewellery Buying



Source: CareEdge Research based on Industry sources.

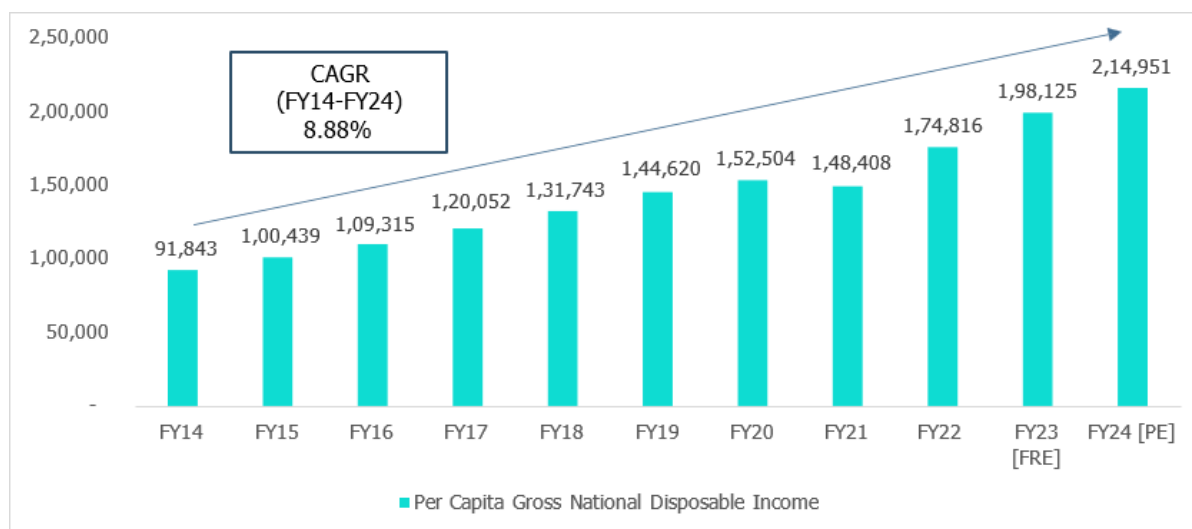
Demand for jewellery rises in the months of the wedding season such as May-June, September-December, and January. During the months of November and December, rural households invest their crop money in gold jewellery. Moreover, gold demand in Tier II and Tier III towns is influenced by agricultural output and monsoon. During auspicious religious events like Diwali/Dhanteras in October and November, and Akshaya Tritiya in April and May, demand for gold and silver jewellery increases.

### Increase in Per Capita Disposable Income:

Gross National Disposable Income (GNDI) is a measure of the income available to the nation for final consumption and gross savings. Between the period FY14 to FY24, per capita GNDI at current prices registered a CAGR of 8.88%. More disposable income drives more consumption, thereby driving economic growth.

Rising income is the most powerful long-term driver of Indian gold demand because the economy is complimented by a high demographic dividend. The middle-income group in India has the highest level of gold consumption. The wealthy consume the most per capita, but the middle class consumes the most total volume.

### Trend of Per Capita Gross National Disposable Income (Current Price)



Note: FRE – First Revised Estimates,

PE – Provisional Estimate. Source: MOSPI

Although there is a growing propensity to consume gold as income rises, the proportion of gold in one's portfolio does not rise at the same rate. A fall in household savings rates, availability of different investment avenues, and agricultural earnings can be hurdles to Indian demand.

### Exposure to Global Trends:

Global trends frequently blend various cultural elements and styles. Jewellery brands that integrate these diverse influences can attract a wider international audience, creating new demand and broadening their market reach. Social media and influencers are crucial in shaping and amplifying these global trends. Jewellery brands that utilize these platforms to highlight trend-focused collections can generate excitement, boost online engagement, and drive consumer interest.

### Preference for Branded Jewellery:

In the competitive Indian market, branded jewellery has found a significant place. Since branded jewellery has become the new trend in the industry, it has created its place in the hearts of customers over the last few years. With attentive and helpful attendants and well-displayed merchandise, shopping for jewellery has transformed. In the new market, everyone is a prospective customer. The most significant aspect of branded jewellery, however, is the perception of its excellence because a brand is synonymous with quality.

Furthermore, customers are more knowledgeable. As a result, shopping has moved to a new level, not only in terms of perspective but also in terms of method. Besides, with the rise of supermarket culture, sales and marketing of gems and jewellery have changed significantly. Today's youth have more discretionary income and are ready to spend on their preferred indulgences. Branded jewellery has a higher level of satisfaction among people than non-branded jewellery due to its prestige value, making branded jewellery more popular.

### Easy availability of Gold Loan:

The emerging gold investment avenue in India at present is a monthly investment scheme run by organised jewellers. This works as a monthly gold-saving scheme where consumers deposit a specific amount of money with the jeweller for 11 months, with the jeweller then paying the consumer one-month equivalent of their deposit as interest. At the

end of the year, the consumer chooses to buy gold jewellery or minted products with accumulated savings and interest. Some schemes provide the benefit of lower making charges also.

#### **A trusted source of gold and innovative designs:**

Indian jewellery buyers are increasingly brand-conscious and their tastes are becoming more refined. With access to a broad array of international and national premium brands, they now expect greater transparency and high-quality standards from their jewellers. They want clarity on pricing, including the costs of materials like gold and silver, as well as production fees, and seek assurance about the quality of the final product, which is best managed by organized retailers. These established players maintain transparency by adhering to rigorous quality standards and providing clear pricing. The rise in demand for affordable jewellery has led to innovative designs and the use of unconventional materials such as plated metals, stainless steel, and cubic zirconia.

#### **Outlook for the Gems & Jewellery Industry in India**

The gems & jewellery industry's performance has been weak in the first half of CY24. However, the demand is expected to improve in the second half, led by purchasing during the festivals. The demand is expected to further revive in subsequent years driven by the moderation of inflation and alleviation of global geopolitical issues.

#### **Diamonds Segment:**

India is the world's largest centre for cutting and polishing diamonds with most players concentrated in the two cities of Gujarat, Surat and Navsari. With a global share of more than 90% in the processing of rough diamonds, Cut & Polished Diamonds (CPD) accounted for 58% of the overall gems and jewellery exports from India. The CPD industry caters to demand from the US, Hong Kong, and the Middle East.

Majorly, India imports rough diamonds and exports cut and polished diamonds. The import prices per carat have been increasing, putting pressure on imports since FY21 but in FY24 the prices have declined as compared to FY23 and remained stable in H1FY25. On the other hand, in value terms, the exports of CPD also declined by 27.6% y-o-y in

FY24. The exports declined due to weak demand from countries like China and the US. Further, there are also challenges faced by the Indian CPD players due to G7 sanctions on Russian-origin diamonds.

However, in markets such as the US, lab-grown diamonds (LGD) are considered fashionable jewellery affordable to youngsters, which augurs well for the Indian market. The increasing acceptance in markets such as the UK and Australia would further support the demand.

The government has identified LGD as an emerging sector. The India-UAE CEPA will further boost the growth of this industry. For instance, Finance Minister Nirmala Sitharaman, in the Budget 2023–24, announced a reduction in basic customs duty on seed used to manufacture LGD from 5% to NIL. This move was made to focus on the LGD exports from India among depleting natural diamond reserves. Further, in the Budget 2024–25, the finance minister announced safe harbour rates for foreign mining companies, selling raw diamonds in the country. A safe harbour rate will help promote the diamond industry. Safe harbour rates refer to predetermined and fixed tax rates that provide a level of certainty and stability to a business. Tax compliance will become simpler and more suitable for attractive investments. With this, the small producers will be able to access rough diamonds directly from miners in India without having to travel abroad to participate in diamond auctions, this decision is likely to benefit the overall industry.

#### **Gold Jewellery Segment:**

Most of the demand for gold jewellery comes from the domestic market. The demand for gold jewellery in India is still primarily driven by weddings and festivals, with bridal jewellery alone accounting for at least half of the market. Long-term trends in economic growth, wage growth, wealth division, and urbanization rate will all influence the demand for gold jewellery in India.

Gold demand in rural communities usually picks up after the harvest season. Harvesting of Kharif crops runs from September until November and about 70% of Indian agricultural production takes place during the Kharif season. During the festivals of Diwali and Akshaya Tritiya, it is considered extremely auspicious to buy gold. Dhanteras (the first day of Diwali) usually falls during October or November, and Akshaya Tritiya between late April and early May.

On average around 40-60 tonnes of gold is sold in India during these two auspicious festivals alone. The continued momentum in demand for gold jewellery, coupled with an increased footprint of organized jewellery retailers, is expected to result in healthy growth of the industry in the medium term. Besides, for Jewellery retailers diamond studded jewellery provides higher gross margins than gold jewellery.

Moreover, India remains one of the leading exporters of gold jewellery. In May 2022, it was announced that 90% of Indian products will be eligible for duty-free entry into the UAE under the Comprehensive Economic Partnership Agreement (CEPA). As products sold there are shipped to other nations, this will have a significant impact on international trade in the medium term. The impact can already be seen in the import-export of gold jewellery.

## **Jewellery Retailing Market in India**

### **Overview**

India's retail jewellery market is experiencing significant growth, driven by changing consumer behaviours that combine traditional preferences with modern trends. This market holds deep cultural and economic importance, particularly as gold jewellery is viewed both as an investment and a symbol of status. While local, unorganized jewellers still dominate much of the industry, there is a strong trend towards organized and branded retailers. Consumers are increasingly prioritizing trust, authenticity, and certified products.

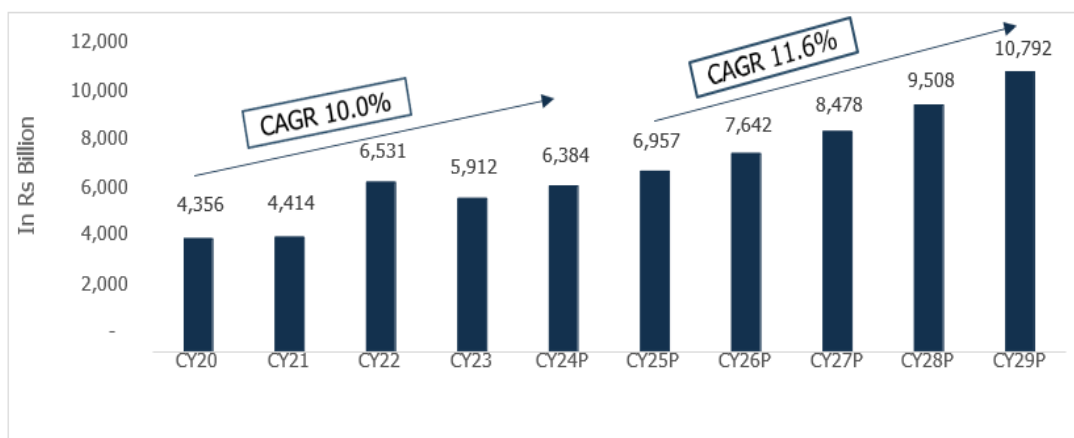
A major trend is a growing demand for branded and certified jewellery, particularly among younger buyers who value authenticity and reliability. As a result, organized players are expanding, especially in tier-II and tier-III cities, where rising disposable incomes and urbanization are enhancing consumer interest in luxury and semi-luxury items. Additionally, younger demographics are driving the demand for lightweight, daily-wear jewellery that is versatile enough for both casual and formal occasions, marking a shift away from the heavy, traditional pieces that used to dominate the market.

The jewellery retail market is undergoing significant digital transformation, with retailers increasingly adopting online platforms and digital payment options. E-commerce has expanded the reach of jewellery retail, providing a secure and convenient shopping experience to a broader audience across the country, including previously underserved regions. The rise of digital adoption enables virtual consultations, online personalization options, and improved customer service, which are becoming key differentiators in the market. Furthermore, customization and personalized designs are gaining popularity, allowing consumers to express their unique tastes through jewellery. This trend enhances the appeal of branded jewellery retailers that offer these services.

Looking ahead, the outlook for India's jewellery retail market is promising, driven by strong economic growth, and increasing consumer spending. The market is expected to grow as higher disposable incomes and urbanization boost demand for jewellery in urban and semi-urban areas. Government initiatives, such as mandatory gold hallmarking, aim to enhance consumer confidence by ensuring product authenticity, which benefits organized retailers. Additionally, policies designed to strengthen the domestic gems and jewellery industry are likely to improve market transparency and further support the growth of established players.

The Indian retail jewellery market is poised for continued expansion, fueled by evolving consumer preferences, digital advancements, and supportive regulatory frameworks. This combination of traditional and modern trends is expected to create a dynamic and competitive landscape where organized, branded, and online jewellery retail channels can thrive.

### **Retail Jewellery Market Size in India (CY20-CY29P)**



Source: IMARC Group, CareEdge Research

In CY23, the market value slightly contracted by 9% compared to CY22, due to a combination of global economic pressures, fluctuating gold prices, and a moderation in the post-pandemic boom. India's retail jewellery market is projected to reach Rs. 6,384 billion by CY24P, growing at a CAGR of approximately 10% from CY20 to CY24P. This steady growth is primarily driven by the increasing demand for branded and certified jewellery, as consumers place a higher value on authenticity and quality. Younger buyers are trending towards lightweight and versatile pieces suitable for daily wear, moving away from traditional designs. Additionally, the rise of digital platforms has broadened market access, providing convenience and personalization for shoppers. Government regulations on hallmarking are enhancing consumer trust in organized retailers. Furthermore, the increase in disposable incomes, especially in tier-II and tier- III cities, contributes positively to the market outlook.

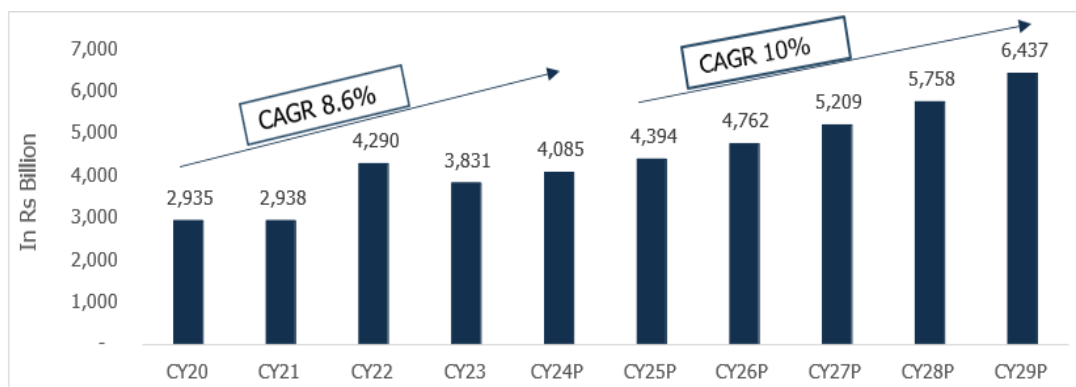
## Unorganized Vs Organized Market

### Unorganized Market

India's unorganized retail jewellery market represents a sizeable portion of the country's jewellery sector. This India's unorganized retail jewellery market comprises a massive portion of the country's jewellery sector. This segment is characterized by small, independent jewellers and local artisans who operate without the structured framework of formal businesses. These local retailers often work on a smaller scale, relying on word-of-mouth, community trust, and traditional crafting techniques passed down through generations. Unlike the organized market, which includes large, branded retail chains and certified stores, the unorganized sector thrives on personal relationships, custom artisanship, and the allure of unique, handcrafted pieces that carry cultural significance.

The unorganized jewellery market is defined by its informal nature, lacking the standardization and certification processes common in larger retail chains. Many local establishments function as family-run businesses and street-side kiosks, especially in rural and semi-urban areas. The jewellery offered in this market ranges from gold and silver to traditional pieces embedded with semi-precious stones, catering to a diverse range of income groups. Customers of unorganized jewellers often enjoy personalized service and bespoke creations, which appeal to those seeking custom designs or specific cultural motifs that may not be readily available in organized retail stores.

## Unorganized Retail Jewellery Market Size in India (CY20-CY29P)



Source: IMARC Group, CareEdge Research

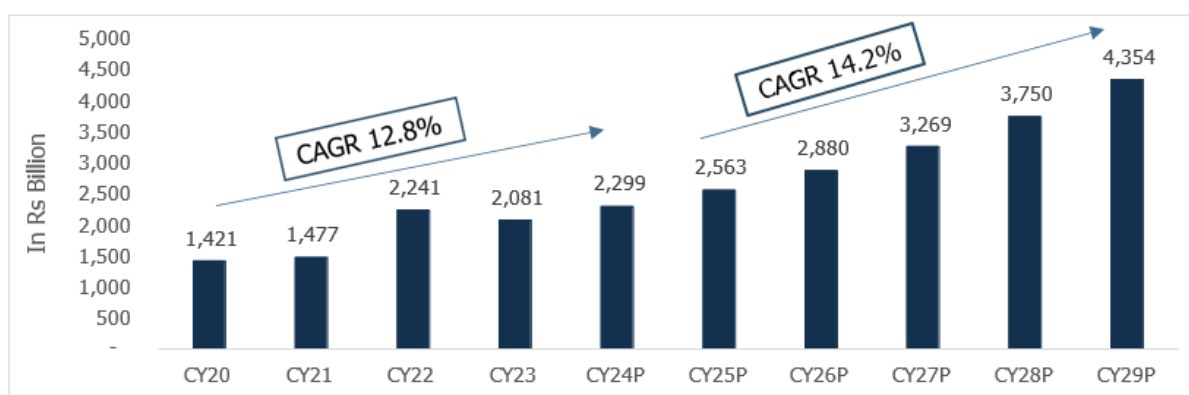
The unorganized sector has consistently held a larger share of the Indian retail jewellery market, although its growth has been affected by both economic and external factors. In CY19, the market size was Rs. 3,529 billion. However, it contracted by 16.8% in the CY20 to Rs. 2,935 billion, due to disruptions caused by the pandemic. In CY21, the market value remained stagnant, reaching Rs. 2,938 billion, which reflected a slow recovery as consumer spending remained cautious. In CY22, there was a significant rebound, with the market surging to Rs. 4,290 billion, driven by strong demand during the wedding season and an improved economic outlook. However, in CY23, the market size slightly decreased to Rs. 3,831 billion due to challenges posed by rising gold prices and economic slowdowns. The projected market value for CY24 is Rs. 4,085 billion, indicating a steady recovery with expectations of stable growth driven by rural demand and a shift towards organized retail.

### Organized Market

The organized retail jewellery market in India refers to a structured segment composed of branded jewellery retailers, large jewellery chains, and certified outlets that adhere to standardized business practices. Unlike the unorganized sector, this market is defined by its systematic approach to quality control, transparent pricing, and consistent customer service. The organized jewellery market has witnessed significant growth over the past decade, driven by the expansion of established brands and the increasing preference for certified, high-quality jewellery. This sector has benefited from modern retail practices, including branded showrooms, e-commerce platforms, and innovative marketing strategies.

The organized retail jewellery market comprises entities that operate with defined business standards, ensuring that customers receive certified products with assured quality and authenticity. This sector includes national and regional jewellery chains that follow stringent protocols for sourcing, production, and sales. Organized jewellers often feature comprehensive collections of gold, diamonds, platinum, and other precious and semi-precious jewellery. They also offer services like buyback schemes, customization, and warranties, adding to the customer experience. The presence of certifications, such as those from the Bureau of Indian Standards (BIS), ensures that customers have confidence in the purity and authenticity of the jewellery they purchase.

## Organized Retail Jewellery Market Size in India (CY20-CY29P)



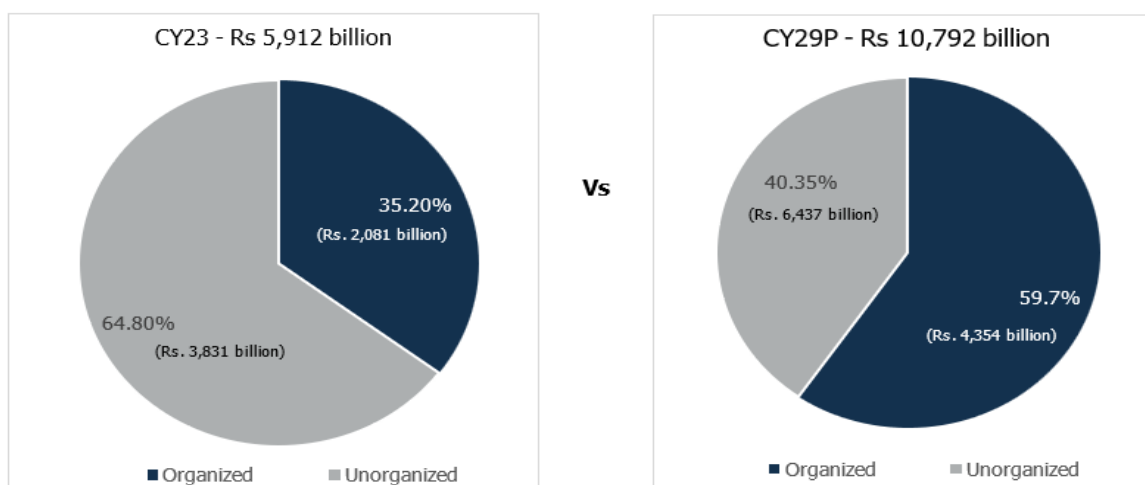
Source: IMARC Group, CareEdge Research

The organized sector, while smaller than the unorganized sector, has shown rapid growth, particularly in the last few years. In CY19, the market size was Rs. 1,645 billion, which dropped by 13.6% in CY20 to Rs. 1,421 billion, due to the pandemic's impact on retail activities. The sector showed a gradual recovery in CY21, reaching Rs. 1,477 billion, as consumers began returning to stores and shopping resumed. A sharp rise was observed in CY22, with the market growing by over 51% to Rs. 2,241 billion, fueled by pent-up demand, consumer trust in branded offerings, and the adoption of omnichannel retail models. In CY23, the market size slightly reduced to Rs. 2,081 billion, primarily due to external economic pressures and gold price fluctuations. The CY24 projection of Rs. 2,299 billion indicates continued growth, driven by the shift towards organized retail, increasing consumer preference for branded jewellery, and advancements in digital and customer service capabilities.

## Share of Organized Players in the Indian Gems and Jewellery Industry

In contrast to other countries, India's jewellery sector has an unorganized artisan (karigar) driven, traditional skill-based (handcrafted) manufacturing value chain, employing lakhs of workers. The gems and jewellery industry accounts for around 6-7% of India's GDP. The interest in jewellery in India extends back 5,000 years. With over 90% of jewellers being family-owned firms, this industry is severely fragmented and unorganized. While the unorganized segment continues to dominate the jewellery retail industry, with the advent of large retailing chains, the industry is gradually witnessing the transformation from being unorganized to an organized one.

## Organized Retail Jewellery Market Landscape in India by Market Share (CY23 Vs CY29P)



In CY23, the unorganized sector led India's retail jewellery market with a 64.8% share, reflecting traditional preferences. The organized sector held 35.2% in CY23 and is projected to hold a market share of 40.35% by CY29, driven by growing demand for branded, certified jewellery among younger consumers. With rising incomes and hallmarking regulations boosting trust, the organized segment is expected to gradually increase its market share. The organized jewellery retail market consists of players such as Kalyan Jewellers, Asian Star Company Ltd., Titan Ltd., Joyalukkas India Ltd., Senco Ltd., and others. However, the unorganized players still dominate the majority of the sector and present challenges to large retail players.

### **Factors Adding Growth of the Organized Retail Jewellery Market**

**Increasing Consumer Awareness and Preference for Quality:** One of the primary drivers of the organized jewellery market in India is the growing consumer awareness around the importance of certification and quality assurance. With the advent of media and digital platforms, consumers are more informed about the value of hallmarking and certifications that guarantee the purity and weight of gold and other precious materials.

**Expansion of Branded Retail Chains and Showrooms:** The organized market has grown rapidly with the expansion of branded jewellery chains like Tanishq, Kalyan Jewellers, Malabar Gold & Diamonds, and others. These brands have strategically opened showrooms in metropolitan as well as tier-II and tier-III cities, making high-quality, certified jewellery accessible to a larger segment of the population.

**Adoption of Technology and Online Sales Channels:** The integration of technology has been a significant factor in propelling the organized jewellery market. Brands have embraced digital transformation, employing advanced tools such as augmented reality (AR) for virtual try-ons, AI for personalized shopping experiences, and secure e-commerce platforms that allow customers to browse and buy jewellery online.

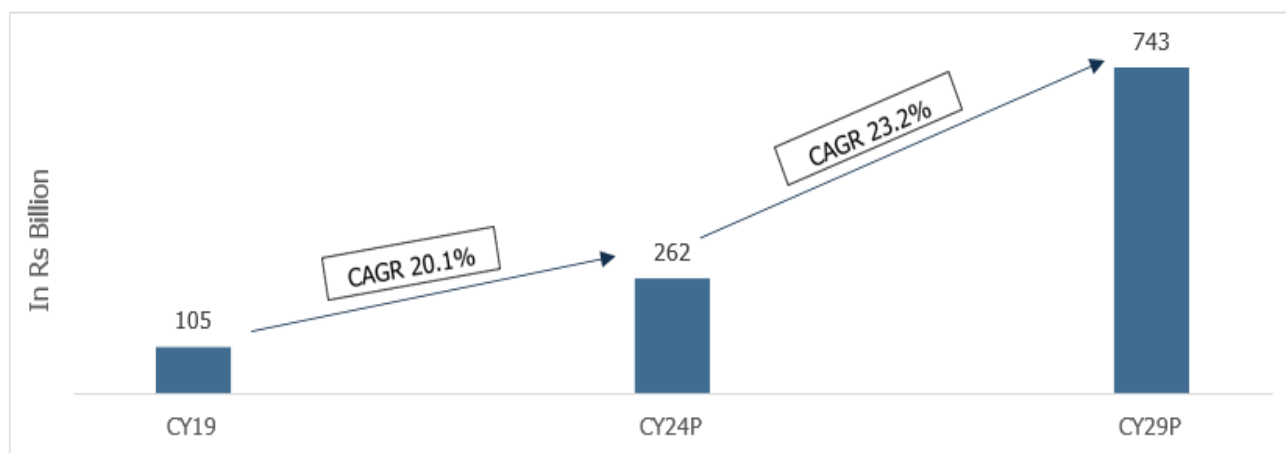
**Government Policies and Regulations:** Supportive government policies, such as mandatory gold hallmarking and the implementation of the Goods and Services Tax (GST), have further strengthened the organized sector. These regulations have promoted transparency, uniformity in pricing, and quality assurance, encouraging consumers to shift from unorganized local shops to organized, certified jewellery retailers.

**Impact of Migratory Population on Organized Jewellers-** The rise in the migratory population is likely to benefit organized jewellers, as these consumers typically do not have strong relationships with local jewellers. They are likely to be more inclined towards organized stores that offer contemporary designs and a wider range of options, making them an attractive customer segment for established brands.

### **Overview and Recent Trends of Online Retailing of Gems and Jewellery in India**

The Indian culture places great significance on jewellery. Sustained higher demand has therefore resulted in an online presence for the gems & jewellery industry. The expansion of the online jewellery market has been significant during the past few years.

### **Online Jewellery Market Size in India (CY19 Vs CY24P Vs CY29P)**



Source: Industry Resources, CareEdge Research

In CY19, the online jewellery market in India was valued at around Rs. 105 billion and is expected to reach Rs. 262 billion in CY24, indicating a CAGR of 20.1%. Further, the market is going to reach Rs. 743 billion in CY29F registering a CAGR of 23.2% from CY24-CY29F. Notably, online penetration which is around 4-5% is expected to reach between 7%-8% by 2025. The significant growth prospect has caused jewellery companies to move quickly to build an online presence, as well as several newcomers to enter the field. Overall, the gems & jewellery sector is dynamic with rapid developments. Additionally, several changes are in place both in terms of customer behaviour and the industry.

Choosing a digital platform has allowed jewellers to reach more individuals and build a network. When jewellers use digital channels, whether through an app or a website, they can generate more money while limiting fixed costs, thereby expanding their margins. It further allows customers to view the products.

To provide the optimum user experience, a few Indian startups and several large retail companies have embraced innovative technologies such as augmented reality and virtual reality. People across Indian cities can now shop for gold and diamond jewellery at the push of a button because of emerging online jewellery players. This ease of availability and delivery is backed up by a range of payment methods, including cash on deliveries, as well as additional benefits like easy monthly payments and discounts.

### Franchisee Model in the Retail Jewellery Market in India

The franchisee model is a popular business structure in the retail jewellery market, allowing brands to expand their reach and presence with lower capital investment compared to company-owned stores. Two common types of franchise models are **Franchisee-Owned**, **Franchisee-Operated (FOFO)** and **Franchisee-Owned, Company-Operated (FOCO)**. Each model has its unique characteristics and operational structures.

#### Franchisee-Owned, Franchisee-Operated (FOFO) Model

In the FOFO model, the franchisee invests their capital to establish the jewellery store, including the costs of real estate, inventory, and operational expenses. The franchisee is responsible for the day-to-day operations of the store, including hiring staff, managing sales, and maintaining customer relationships. The franchisor provides branding, training, and support, along with the necessary systems and processes.

#### Key Features of the FOFO Model:

- **Investment:** Franchisees bear the fiscal responsibility for setting up and running the store.
- **Operational Control:** Franchisees have autonomy over their daily operations, allowing them to tailor their business strategies to local markets.
- **Brand Support:** The franchisor offers branding, marketing, and training support, ensuring that franchisees

align with the overall brand image.

- **Revenue Sharing:** Franchisees pay an initial franchise fee and ongoing royalties based on sales to the franchisor, which provides a steady revenue stream for the brand.

#### **Advantages of FOFO:**

- **Lower Risk for Franchisor:** The franchisor does not have to invest in physical stores, reducing financial risk.
- **Local Expertise:** Franchisees often have better knowledge of local markets and consumer preferences, which can lead to more effective marketing and sales strategies.
- **Scalability:** This model enables rapid expansion of the brand across different regions, without incurring major capital expenditure.

#### **Franchisee-Owned, Company-Operated (FOCO) Model**

In the FOCO model, the franchisee owns the store, but the company (franchisor) operates it. The franchisor retains control over the daily operations, staffing, and customer service, while the franchisee provides the physical space and bears the financial investment. This model allows the franchisor to ensure consistent quality and service across all locations.

#### **Key Features of the FOCO Model:**

- **Investment:** Franchisees invest in the physical location, while the franchisor manages the operations.
- **Operational Control:** The franchisor oversees all operational aspects, maintaining quality control and brand standards.
- **Revenue Sharing:** Similar to the FOFO model, franchisees pay initial fees and ongoing royalties, but profit margins may differ due to the operational control of the franchisor.

#### **Advantages of FOCO:**

- **Quality Assurance:** The franchisor can maintain stringent quality control and consistency across locations, enhancing the brand's reputation.
- **Operational Expertise:** The franchisor can leverage its experience and systems to manage the store effectively, potentially leading to higher profitability.

#### **Company-Owned Model**

In the company-owned model, the jewellery brand directly owns and operates all retail locations. This model involves significant investment and full control over all aspects of the business, including operations, branding, marketing, and customer experience.

#### **Key Features of the Company-Owned Model:**

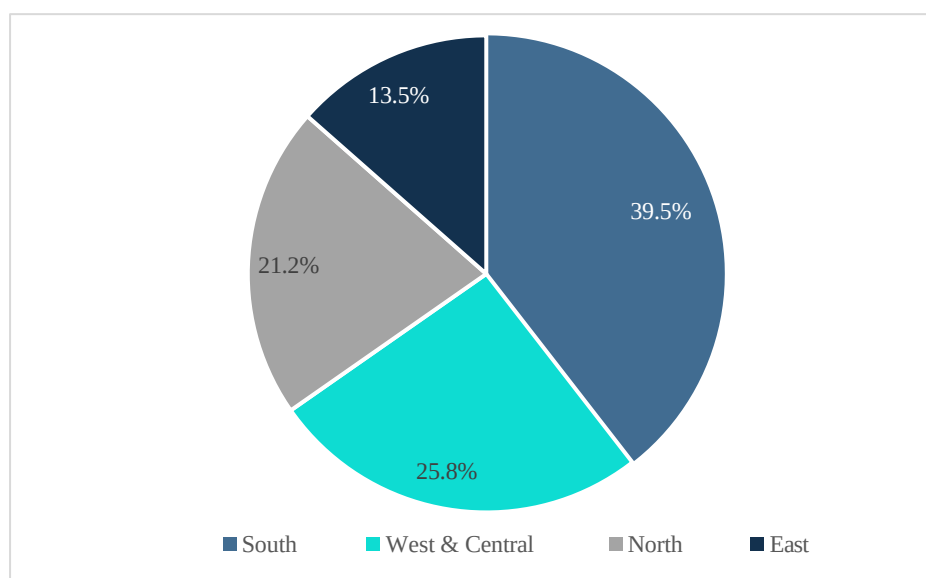
- **Complete Control:** The company retains full operational control, allowing for consistent branding and customer service across all locations.
- **Direct Investment:** The company invests in the physical stores, inventory, and employee salaries, leading to a higher level of financial commitment.
- **Centralized Decision-Making:** Strategic decisions regarding product offerings, marketing strategies, and operational processes are made centrally, ensuring alignment with the brand vision.

#### **Advantages of the Company-Owned Model:**

- **Brand Integrity:** Direct control over operations helps maintain ambitious standards of quality and service, protecting the brand's image.
- **Profit Retention:** The company retains all profits from retail operations, without having to share revenue with franchisees.
- **Flexibility in Operations:** The company can adapt quickly to market changes without needing to consult with franchisees or adhere to franchise agreements.

## Retail Jewellery Market in India by Region, Type and Trends

### Retail Jewellery Market Break-Up by Region (In %) (CY23)

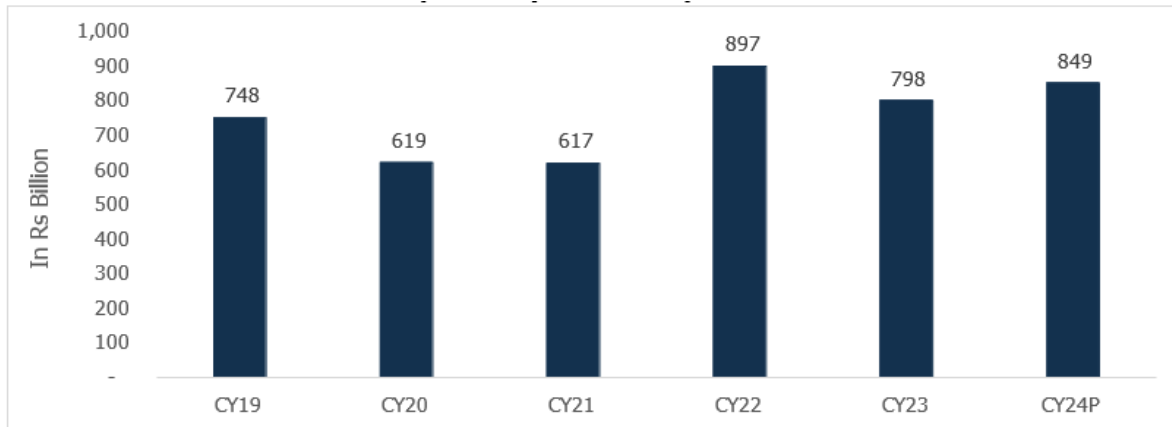


Source: IMARC Group, CareEdge Research

In CY23, South India was the largest region in India's retail jewellery market, holding a 39.5% share of the total market. Following South India were West and Central India with 25.8%, North India with 21.2%, and East India with 13.5%.

### East India Retail Jewellery Market

#### East India Retail Jewellery Market (CY19-CY24P)



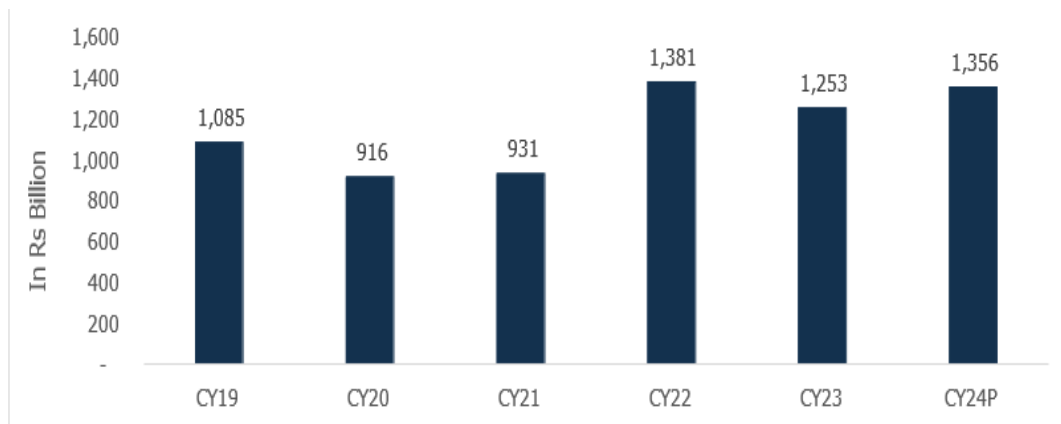
Source: IMARC Group, CareEdge Research

Note: The above data includes East India and North-East India

In CY24P, the East India market reached a value of Rs. 849 billion, growing at a CAGR of 2.6% during CY19–CY24P. The retail jewellery market in East India is driven by its rich tradition of artisanry and cultural affinity for intricate designs. The region’s distinctive styles, such as filigree work from Odisha and temple jewellery from West Bengal, continue to attract consumers who value heritage pieces. The trend of buying lightweight and artistic jewellery that showcases local artistry has gained momentum, especially among younger generations who wish to balance tradition with contemporary aesthetics. Additionally, the region is witnessing an increase in demand for jewellery that features a blend of gold and semi-precious stones, offering affordability without compromising elegance. The growth of digital marketing, influencer promotions, and the expansion of social commerce platforms are enhancing visibility and customer outreach, fueling the trend of purchasing jewellery online.

### North India Retail Jewellery Market

#### North India Retail Jewellery Market (CY19-CY24P)

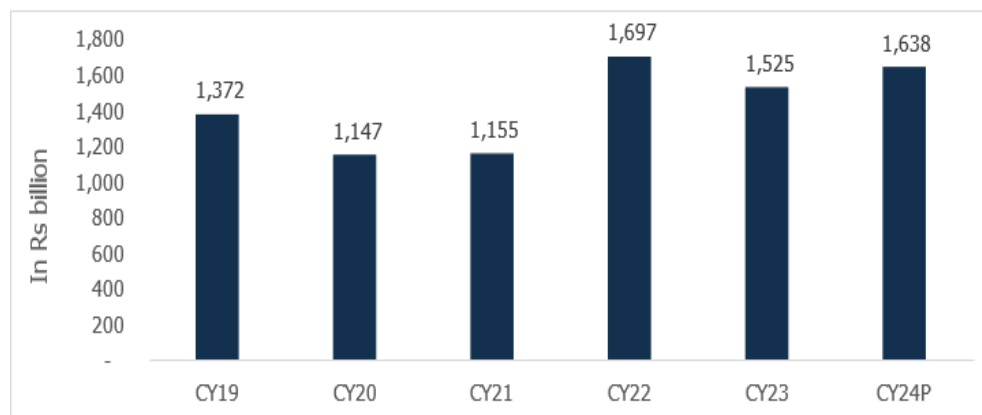


Source: IMARC Group, CareEdge Research

In CY24P, the North India market is projected to reach a value of Rs. 1,356 billion, growing at a CAGR of 4.6% during CY19–CY24P. The retail jewellery market in North India is shaped by a deep-rooted tradition of ornate and luxurious designs, often influenced by historical Mughal and Rajputana aesthetics. The demand for bridal jewellery remains particularly strong, driven by the region's elaborate wedding culture. Consumers are increasingly leaning towards bespoke and customized jewellery that reflects their tastes and complements modern bridal and festive wear. Additionally, the market is seeing a trend toward fusion jewellery that blends traditional motifs with contemporary styles, appealing to younger buyers.

## West and Central India Retail Jewellery Market

### West and Central India Retail Jewellery Market (CY19-CY24P)

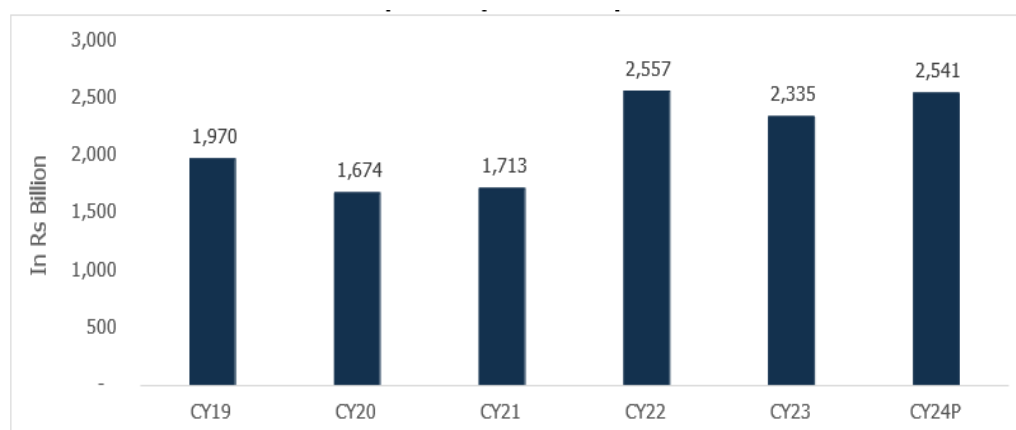


Source: IMARC Group, CareEdge Research

In CY24P, the West and Central India market is projected to reach a value of Rs. 1,638 billion, growing at a CAGR of 3.6% during CY19–CY24P. The retail jewellery market in West and Central India is witnessing notable trends driven by a blend of traditional and contemporary preferences. The region is known for its rich heritage in intricate jewellery designs, such as Kundan, Jadau, and Meenakari, which continue to attract consumers looking for unique artisanry. The market is also influenced by a surge in demand for statement pieces that are versatile for both modern and traditional attire. Increasing participation in social and cultural events has further boosted the demand for jewellery that showcases individual style and social status. Additionally, sustainable, and ethically sourced jewellery is gaining attention, as eco-conscious consumers seek brands that align with their values. The presence of large, organized retail chains offering certified products has added an extra layer of reliability and appeal to shoppers.

## South India Retail Jewellery Market

### South India Retail Jewellery Market (CY19-CY24P)



Source: IMARC Group, CareEdge Research

In CY24P, South India the market is projected to reach a value of Rs. 2,541 billion, growing at a CAGR of 5.2% during CY19–CY24P. The retail jewellery market in South India is driven by a deep-rooted cultural significance attached to gold and other precious jewellery. Festivals, weddings, and traditional ceremonies continue to fuel consistent demand, with consumers often viewing jewellery not just as an accessory but as an essential part of cultural heritage and a form of investment. The trend of lightweight, daily-wear jewellery is gaining momentum, especially

among younger buyers who seek modern designs that are practical for everyday use. The emergence of branded retail chains and the shift towards certified jewellery are boosting consumer confidence and changing buying habits. Furthermore, digital marketing and e-commerce are playing significant roles, providing customers with greater convenience, and expanding access to a variety of jewellery options.

### **Seasonality**

Seasonal variations in jewellery purchases play a crucial role in shaping demand across different regions of India, significantly affecting retailers' strategies. Weddings, festivals, and agricultural cycles are key drivers of this demand, creating a seasonal landscape that varies from region to region.

The demand for jewellery peaks during specific months, particularly wedding seasons in May-June and September-January. These months see an influx of gold and silver purchases as families prepare for weddings, which are considered major life events in Indian culture. This seasonality is especially significant in rural areas and smaller towns, where weddings and agricultural cycles are closely tied to the financial inflow from crop yields. A favorable monsoon, which boosts agricultural output, enhances rural household income, encouraging investments in gold as a store of wealth. Consequently, demand from rural areas increases during harvest periods, typically between September- November and January-March.

Festivals and auspicious religious occasions also contribute heavily to the seasonal demand for jewellery. Celebrations like Diwali/Dhanteras in October-November, Akshaya Tritiya, and Ugadi in April-May trigger significant sales as people purchase jewellery for religious and cultural reasons. These occasions are often seen as opportune moments for investing in gold and silver, further intensifying the seasonal surge in demand.

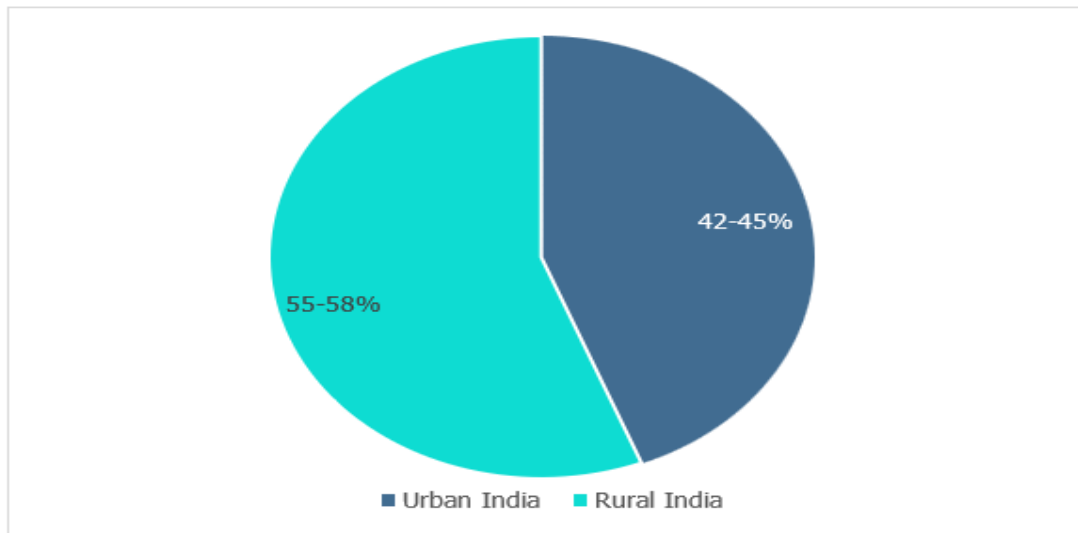
However, the seasonal and regional nature of jewellery demand presents a major challenge for organized retailers aiming for national expansion. Regional preferences for designs, metals, and styles vary widely, making it difficult to standardize offerings across the country. For instance, while gold jewellery may dominate in North India, South India sees a higher preference for platinum and diamond jewellery, along with regional designs specific to local traditions. This disparity demands a tailored approach in product offerings, marketing, and sourcing strategies. Additionally, local artisans' expertise in creating region-specific designs adds a layer of complexity for national players who must adapt to diverse consumer tastes while maintaining scale.

Building a strong presence in each micro-market requires substantial investments in understanding local preferences, customizing designs, and creating localized marketing strategies. Only a few local players have managed to successfully expand regionally, and even fewer have achieved a nationwide presence. The substantial working capital required, along with efforts to attract skilled artisans, further adds to the challenges for organized retailers aiming to dominate the Indian jewellery market.

### **Distribution by Urban and Rural**

The distribution of jewellery demand between urban and rural India reveals a significant contrast in preferences and behaviours, leading to distinct market dynamics.

### **Gold Jewellery Demand, Urban and Rural (FY23)**



Source: Industry Sources, CareEdge Research

As of FY23, urban India accounts for approximately 42-45% of gold jewellery demand, while rural India contributes the remaining 55-58%. Despite rural areas generating a larger share of demand, gold ownership is higher there, driven by the cultural significance of gold as a store of value and a symbol of wealth.

Rural consumers are more inclined to invest in gold jewellery due to limited access to alternative investment options, particularly during key life events such as weddings and post-harvest periods. In contrast, urban consumers are more likely to invest in gold bars and coins, reflecting a diversified approach to savings. The tendency to save is especially pronounced in rural and semi-urban regions, where limited access to formal financial products or high-yield investments makes gold a more appealing and secure investment. This trend is supported by government initiatives aimed at revitalizing the rural economy, such as increased MGNREGA allocations, agricultural reforms, and essential supply provisions. These efforts are expected to strengthen rural incomes and boost jewellery demand over the long term.

While demand for jewellery is high in rural areas, organized retail's share of rural jewellery remains low. This is mainly due to the dispersed nature of rural demand, which raises retail costs for organized players. Consequently, many retailers are employing a two-pronged approach to tap into rural demand. First, they are expanding their presence beyond Tier 1 cities and focusing on Tier 2 and Tier 3 towns where a significant rural consumer base exists. Organized retailers with a strong mix of stores in these smaller towns have a competitive advantage in capturing rural demand. Second, some organized retailers are refining their retail models to directly cater to rural customers by utilizing mobile retail units or partnering with local businesses to overcome logistical challenges.

Conversely, urban markets are dominated by organized retail, with branded jewellery stores and e-commerce platforms taking the lead. Urban consumers tend to focus on premium products and modern designs, with a noticeable shift toward contemporary jewellery styles, especially in metropolitan and Tier 1 cities. The evolving trend of online jewellery retailing is further reshaping the urban jewellery landscape, with many consumers preferring the convenience of browsing and purchasing jewellery digitally.

Overall, while urban India presents a more consolidated and organized market, rural India represents a significant and growing opportunity for jewellery retailers. Success in this market hinges on tailoring strategies to regional preferences, utilizing both physical and digital platforms, and addressing the unique challenges of rural retailing. As the rural economy strengthens, the demand for jewellery is expected to rise, benefiting both organized and traditional retail players.

## Marketing Approaches

Marketing strategies for jewellery retailers in India are deeply influenced by cultural factors, seasonal demand, and the desire to build a prestigious brand image. The following are some of the most prominent marketing approaches employed by jewellery brands:

**Television Advertising:** Despite being an expensive medium, television offers the widest audience reach and remains a key tool for national-level jewellery chains. Brands utilize this platform to raise customer awareness and announce upcoming promotions or product launches, especially during peak festive periods. Jewellery chains strategically run ads during key occasions like Diwali, Akshaya Tritiya, and weddings, showcasing their extensive product range and enticing offers. This helps them align with the cyclical nature of demand, ensuring maximum visibility during high-demand seasons.

**Celebrity Endorsement:** Celebrity endorsements are a powerful tool in jewellery marketing, adding glamour and credibility to brands. By aligning with celebrities who resonate with their target audiences, jewellery retailers can effectively enhance their brand presence. Popular celebrities not only elevate the brand's status but also influence consumer perception and trust. For example, Tanishq has had Deepika Padukone and Nayanthara as brand ambassadors, while Malabar Gold & Diamonds has featured stars like Alia Bhatt and Kareena Kapoor. This endorsement strategy is often customized according to the brand's regional or national focus, as well as its position in the fashion or bridal segments. The presence of stars during store openings or product launches creates an impression, driving foot traffic and brand loyalty.

#### Notable Celebrity Endorsements

| Brand                        | Brand Ambassador(s) past and present                                                                                                                                                         |
|------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Titan Company Ltd. (Tanishq) | Deepika Padukone, Nayanthara                                                                                                                                                                 |
| Malabar Gold & Diamonds      | Alia Bhatt, Kareena Kapoor, Dulquer Salmaan, Tamannaah Bhatia, Mohanlal, Suriya Sivakumar                                                                                                    |
| Senco Gold                   | Kiara Advani, Kartik Aryan, Ishaa Shah, Sourav Ganguly, Vidya Balan, Dutee Chand                                                                                                             |
| Kalyan Jewellers             | Amitabh Bachchan, Jaya Bachchan, Shweta Bachchan- Nanda, Katrina Kaif, Akkaineni Nagarjuna, Prabhu Ganesan, Manju Warrier, Shiva Rajkumar, Wamiqa Gabbi, Pooja Sawant, Ritabhari Chakraborty |
| Joyalukkas                   | Kajol, Kangana Ranaut, Meera Jasmine, Bhoomika Chawla, Madhavan, Shreya Ghoshal, Suresh Gopi, Kiccha Sudeep, Allu Arjun, Hrithik Roshan                                                      |

Source: Company Website, Industry Sources, CareEdge Research Note: The list captures key brand ambassadors and is not exhaustive

**Print Media:** Newspapers and magazines continue to play a significant role in jewellery marketing, particularly for regional and smaller brands. Print media is often used to announce promotional offers, highlight festive collections, and raise awareness about store openings or unique events. The enduring appeal of print media, especially in the form of glossy magazines or newspapers with high circulation, helps brands maintain a strong presence in the minds of consumers who prefer more traditional forms of advertising.

**Movie and Corporate Tie-ups:** Another effective marketing approach is through movie tie-ups, where jewellery brands associate themselves with popular films to enhance brand visibility and appeal. These partnerships help create a connection between the brand and the film's themes of heritage, artistry, and quality artisanry.

#### Seasonal Jewellery Segment

##### Overview

The seasonal jewellery segment in India is a significant part of the overall jewellery market, showcasing the country's rich cultural heritage and the importance of weddings in Indian society. Weddings are major life events in India, with families typically allocating around 23-24% of their total wedding budget to jewellery purchases. Traditional bridal jewellery collections often feature gold, diamonds, and other precious gemstones, designed in elaborate styles. This jewellery is not only regarded as adornment but also serves as a form of financial security. In North India, brides tend

to prefer heavy gold jewellery and kundan-polki sets, while those in South India favour traditional gold temple jewellery. These preferences reflect the varied cultural heritage of each region.

India's bridal jewellery market is primarily centred around gold, making it one of the largest consumers of gold jewellery in the world. In 2023, the country's demand for gold jewellery reached approximately 562 tonnes, with a substantial portion attributed to bridal collections. The market also includes a variety of traditional styles such as kundan, polki, jadau, and temple jewellery, reflecting the diverse regional traditions across different states. For instance, South Indian brides typically prefer temple jewellery, while North Indian brides often choose kundan and polki pieces. Additionally, diamond jewellery is gaining popularity among urban and affluent families, leading to increased demand for diamond-studded wedding pieces, especially in metropolitan areas.

Traditionally, the seasonal jewellery segment has been dominated by gold. However, latest trends indicate a shift towards lightweight and minimalistic designs as modern brides seek versatility. In response to this change, manufacturers are adapting their designs to combine traditional aesthetics with contemporary and wearable styles, appealing to younger consumers who want a lasting investment in their bridal jewellery. Additionally, with rising gold prices, there has been an increased demand for gold-plated and alloy-based bridal pieces, which provide a similar appearance at a more affordable cost.

### **Evolution of the Wedding Industry and Market Trends**

Weddings are among the largest industries in India. However, it is unorganized. It is estimated that about 10-13 million weddings of many sizes and scales, are held in India every year. Indian weddings are heavily influenced by traditions and culture.

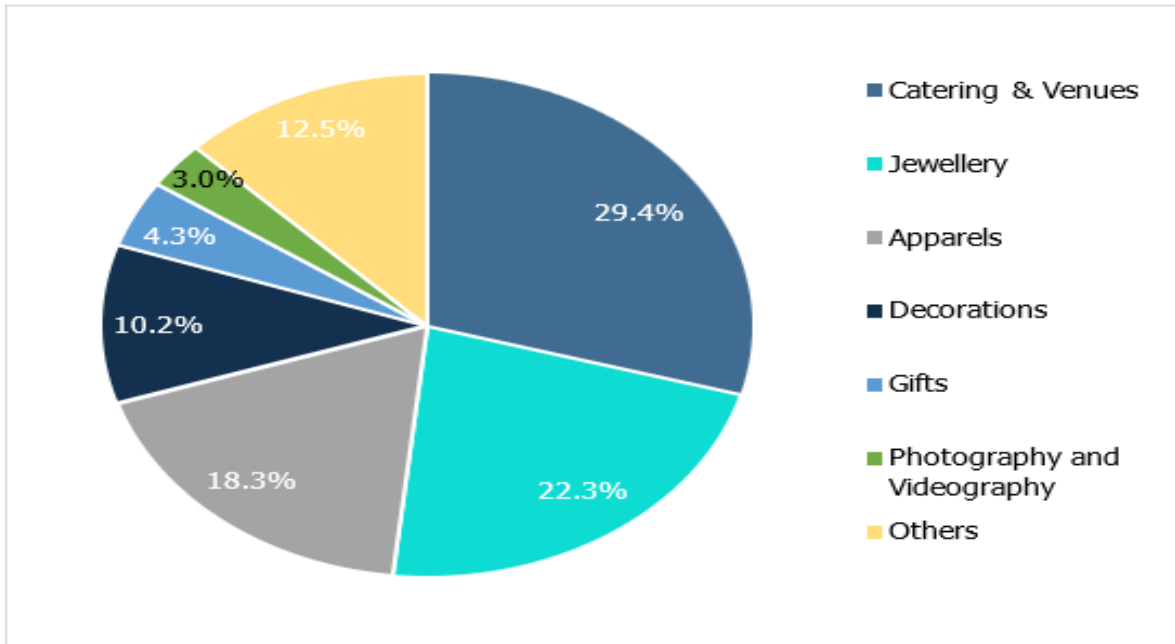
Weddings have evolved in recent years be it a celebrity wedding, mid-range, or low-range Indian wedding. Gold jewellery holds high significance in any type of wedding as a part of the traditions and religious beliefs attached to the wedding ceremony.

### **Cost per Wedding**

Cost per wedding in India may differ based on numerous factors such as wedding budget, number of functions, traditional rituals, guest count, venue location, food expenses, and others. Indian weddings typically last three days and include a variety of rituals and festivities such as a ring ceremony, haldi, wedding ceremony, reception, and others.

In India, the average wedding cost ranges from 5 lakhs to 5 crores depending on the scale of the wedding. For instance, in a metro city, a 3-day wedding cost ranges between 25 lakhs to 50 lakhs. Whereas in tier-2 cities, the 3-day wedding cost ranges between 5 lakhs to 10 lakhs.

### **India Wedding Market: Breakup by Wedding Expenditure (in %), CY23**



Source: IMARC Group, Industry Sources, CareEdge Estimates

In CY23, the distribution of wedding expenditures in India highlights the significant allocation of funds across various categories. Catering and venues dominate the market, accounting for 29.4% of total spending, reflecting the high priority placed on food and location for wedding celebrations.

Jewellery follows as the second-largest expenditure, comprising 22.3%, underscoring the importance of bridal adornments in Indian weddings. Jewellery holds a vital place in Indian weddings, with 22.3% of expenditures dedicated to it, reflecting its deep cultural and symbolic significance. The mangalsutra, a sacred necklace symbolizing marital bonds, is central in Hindu weddings, especially in South India, where elaborate designs featuring diamonds and intricate gold work are increasingly popular.

Besides the mangalsutra, essential pieces like bangles, necklaces, earrings, and rings are part of the bridal ensemble, varying by region. North Indian brides favour heavy gold jewellery, while South Indian brides often wear temple jewellery with uncut gemstones. In Western India, the nath (nose ring) and kamarband (waistband) are prominent, and Eastern Indian brides often choose gold pieces with nature-inspired motifs. This investment in jewellery, blending aesthetics with emotional and cultural value, underscores its importance as a symbol of tradition, wealth, and heritage across India.

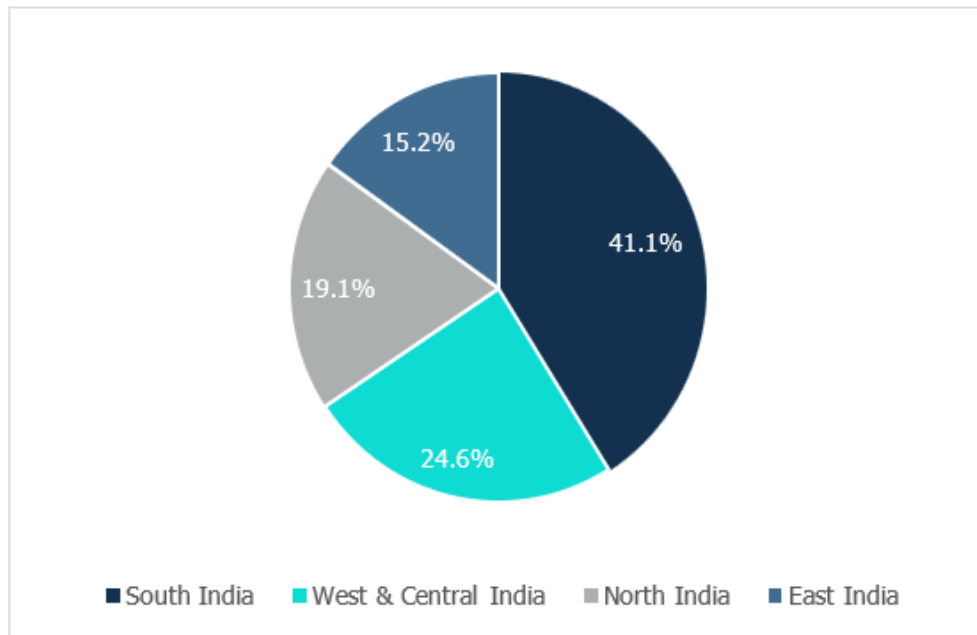
### Segments of the Indian Jewellery Industry

Weddings and festivals are the two main occasions for buying jewellery in India. The Indian jewellery market can be segmented by region into North, South, East, and West. The South region leads the market, followed by the West.

Southern India is notable for its significant consumption of gold and diamond jewellery, whereas Western India is renowned for its export of cut and polished diamonds. The South's dominant position in the Indian Gems and Jewellery Market stems from its rich historical heritage, skilled artisanry, cultural importance, and vibrant jewellery industry. In contrast, Western India favours a mix of traditional and modern styles and has a strong market for high-end and designer pieces.

North India tends to prefer traditional designs, especially gold jewellery and heavy pieces for weddings and festivals. Meanwhile, East India is characterized by a preference for traditional and distinctive designs, focusing on both gold and silver jewellery. South India accounts for 41% of the total jewellery demand followed by West & Central India with 24.6%, North India with 19.1% and East India with 15.2%.

### Indian Jewellery Market Break-up by Region (% Share) in CY23



Source: IMARC Group, Industry Sources, CareEdge Estimates

Rural and semi-urban regions contribute about 60% of the gold jewellery consumption while urban areas account for 40%. The share of rural and semi-urban regions is higher on account of the larger share of the population residing in these regions. Further, jewellery is a primary form of investment in these areas and is preferred over conventional investments through banks due to limited literacy and banking networks.

Based on the type, the gold jewellery industry can be segmented into:

- Bridal gold wear
- Daily & fashion gold wear

### Jewellery Demand Segmentation Based on Wearing Type

|                      | Market share (%) | Weight Range | Purity         |
|----------------------|------------------|--------------|----------------|
| Bridal Wear          | 50%-60%          | 30-250 gm    | 18 & 22 carats |
| Daily & Fashion Wear | 40%-50%          | 5-30 gm      | 14 & 18 carats |

Source: Industry sources; CareEdge Research

### Bridal Gold Wear

In Indian marriages, gold holds a lot of significance. Individuals of all ages wear exquisite gold jewellery on such occasions. The bride is the focal point of the wedding and is adorned with a significant amount of gold jewellery. Gold has a religious significance in India as many people believe that gold is an auspicious precious metal and provides wealth and success.

The significance of this style of jewellery in India originates mostly from the premise that gold given to a lady for her wedding is completely her property and thus an essential source of financial security. Jewellery gifts to the bride and groom's close relatives as well as jewellery purchases made by wedding guests for their use make up an additional, although much smaller, portion of the demand associated with weddings.

Given its significance in Indian weddings, bridal jewellery accounts for 50-60% of domestic jewellery consumption. Bridal jewellery is typically heavier in weight compared to daily or fashion wear ranging from 30-250 gms depending upon the type of jewellery. Further, they are available in 22-carat and 18-carat variants.

#### State-wise Bridal Jewellery Products

| State                    | Large Sets                                      | Small Necklaces          | Chains                       | Bangles                                           | Earrings          | Others                                 | Gross weight in gms |
|--------------------------|-------------------------------------------------|--------------------------|------------------------------|---------------------------------------------------|-------------------|----------------------------------------|---------------------|
| <b>Punjab</b>            | Diamond Haar                                    |                          | Mangal Sutra                 | Kundan Kangan                                     | Vala              | Maang Teeka, Nathni, Bajo does Kado    | 190                 |
| <b>Rajasthan/ Marwar</b> | Rani Haar                                       | Thewa                    |                              | Bangdi, Kada, Rajputi Bandgi                      | Kundan Butti      | Rakhdi, Hath Phool, Baju Band, Anguthi | 190                 |
| <b>Bengal</b>            | Sita Haar                                       | Gola Chik                |                              | Plai Bala, Mugh Bala, chitra Bala                 | Jhumkaa           | Kamar Chavi, Tikloy, Kamar Band        | 210                 |
| <b>Gujarat</b>           |                                                 | Chandan Haar             | Mangal Sutra                 | Bangdi, Kundan Bangdi                             | Kundan Butti      | Nath, Baju Band, Damani, Pocha         | 180                 |
| <b>Maharashtra</b>       | Chapla Haar, Laxmi Haar                         | Tushi                    | Mangal Sutra                 | Tode, Patli                                       | Jhumke            | Aangathi, Haath Pan, Nath, Baju Band   | 250                 |
| <b>Mangalore</b>         | Akki Sara, Malliga Sara                         |                          | Mangal Sutra, Mohan Sara     | Lakshmi Bale, Coorgi Bale, Kembina bale           | Jhimki            | Bandhi, Odiyanam, Kemp Ungila          | 280                 |
| <b>Kerala</b>            | Kazuthulia, Kasu Mala, Lakshmi Mala, Mulla Motu | Kingini Mala, Manga Mala | Kurumul aka Mala, Patthak am | Kolkata Bangle, Machine Cut Bangle, Thoda Bangles | Jhimki            | Toe Ring, Minnu                        | 320                 |
| <b>Tamil Nadu</b>        | Lakshmi Haram, Muthu Haram                      | Vella Kal Mookhuthi      | Mangal Sutra                 | Muthu Valayal, Lakshmi Valayal, Kemu Valayal      | Kempu Kal Jhimkki | Ottiyanam, Nethichutty, Jada Billai    | 300                 |
| <b>Andhra Pradesh</b>    | Nakshi Haram                                    | Kandabara nam            | Sutaru Golusu                | Kanjan, Gajalu                                    | Buttalu           | Aravanki, Nakshi Vaddanam, Jada        | 300                 |

Source: CareEdge Research, Industry Sources

## Daily and Fashion Wear

Daily and Fashion wear jewellery accounts for 40-50% of the domestic gold jewellery consumption. These are typically lighter jewellery ranging from 5-30 gms in weight. Daily and fashion wear jewellery has grown in popularity in recent years as customer preference for more affordable and useful options for their everyday jewellery needs has increased. To meet the demand from younger customers, especially those who desire to wear gold jewellery that suits their Western-style clothing, manufacturers are increasingly concentrating on manufacturing lightweight ornaments. This trend has resulted in the rise of minimalist designs, which have basic shapes and clean lines and are frequently made with less gold.

Millennial demand, rising internet usage, and increasing smartphone penetration have contributed to the recent rapid rise of the Indian online jewellery business focused primarily on daily and fashion wear jewellery. Consumers between the ages of 18 and 45 account for many sales. Despite an increase in online jewellery sales, the typical ticket weights are between 5 and 10 grams. Online buyers typically buy 18-carat gold jewellery that is lightweight and suitable for everyday wear.

Young shoppers are interested in contemporary styles that go well with Western attire. Also, big chain stores are focusing increasingly on daily wear and fast-moving jewellery (such as chains and rings). Manufacturers and designers are developing product lines expressly for this market as they become more aware of changing consumer preferences.

## Trends in Bridal Jewellery

- India, the second-largest consumer of gold jewellery worldwide, has seen tremendous transformation in recent years due to changing consumer preferences. The demand for gold jewellery in India is still mostly driven by weddings and festivals, with bridal jewellery alone accounting for more than half of the industry.
- The gold market is changing, with varying styles and tastes due to economic development, globalization, and shifting customer preferences. For instance, the demand for lighter and studded gold bridal jewellery has increased in recent years due to the rise in gold prices.
- There are diverse regional preferences throughout the country in connection to bridal jewellery. While much of the demand is for plain gold jewellery, the market share for studded jewellery, i.e., jewellery studded with diamond and other precious and semi-precious stones (such as Polki, Kundan, or Jadau) is between 15% to 20%. Studded jewellery consumption is much higher in Northern India while the consumption in South India continues to be plain gold jewellery.

## Trends in Lightweight Jewellery

- The India light weighted jewellery market was valued at Rs. 2,216 billion in CY23 and is projected to reach Rs. 4,558 billion in CY29P registering a CAGR of 12.8% from CY23 to CY29P. the rise of online retail and the influence of social media platforms are driving demand for contemporary designs, further contributing to the market's expansion. This trend is expected to continue as more consumers prioritize convenience, functionality, and style over traditional, heavy jewellery. Besides, demand for lightweight, daily-wear fashion jewellery is estimated to rise as the younger generation enters the workforce.
- In urban areas, particularly metro cities, minimalistic and lightweight jewellery designs have become synonymous with sophistication. Younger buyers, who favour multipurpose jewellery, are driving this trend, seeking pieces that serve both as bridal jewellery and as versatile accessories for other occasions.
- Lightweight jewellery is gaining popularity as it aligns with modern demands for comfort, versatility, and cost-effectiveness. Today's brides and consumers are drawn to pieces that combine traditional aesthetics with everyday wearability, enabling jewellers to cater to a market that values both cultural and functional aspects.
- Jewellers are employing techniques like hollow designs and gold-plating to create visually appealing pieces that mimic the look of heavier, more expensive jewellery. By combining gold with semi-precious stones and alloys, these designs offer affordable luxury, making them suitable for both casual and formal events, while also serving as a durable investment in style beyond special occasions.

## Trends in Costume Jewellery

- Costume jewellery, also known as fashion jewellery, has seen a surge in popularity in India due to its affordability, versatility, and wide range of designs. This segment uses non-precious metals, alloys, and imitation stones to create

pieces that resemble fine jewellery, allowing consumers, particularly younger and budget-conscious buyers, to stay trendy without the inflated cost. These pieces are perfect for seasonal, trend-focused wear, providing a fashionable and affordable alternative to fine jewellery.

- Bollywood-inspired and Western-style influences are shaping the costume jewellery market, featuring vibrant, statement designs like chokers, layered necklaces, and oversized earrings. With the rise of e-commerce, it has become easier for consumers to purchase costume jewellery online, offering options that complement assorted styles—from ethnic outfits to Western attire. This easy access has further popularized costume jewellery, especially among young buyers who enjoy experimenting with different looks.
- As awareness of sustainability grows, there is an increasing demand for eco-friendly costume jewellery made from recycled metals and ethically sourced stones. These options align with consumers' interest in sustainable fashion and resonate well with environmentally conscious buyers. Additionally, costume jewellery is widely chosen for specific events like pre-wedding functions, festivals, and social gatherings, where consumers seek stylish yet affordable accessories, making it a go-to choice for special occasions without the long-term commitment of fine jewellery.

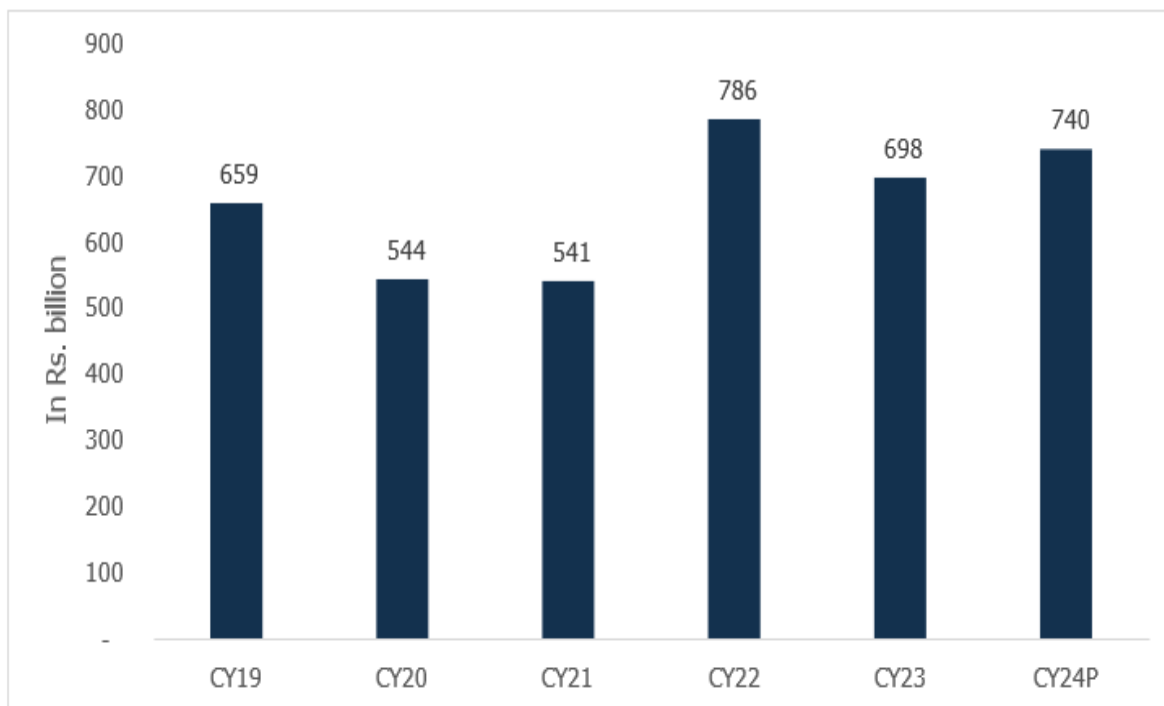
## Jewellery Retailing Market in East India & Northeast India

### Overview of Jewellery Demand in East India

The jewellery market in East India is driven by rich cultural traditions and a strong preference for gold and precious stones, with demand reaching its highest during festivals and weddings. The region benefits from a growing middle class with increasing disposable income, fuelling consistent sales growth. Urbanization and the rise of organized retail formats are transforming the market, making high-quality jewellery more accessible.

Craftsmen in East India, renowned for their detailed workmanship, preserve traditional jewellery designs while incorporating modern elements to appeal to today's consumers. The market is also shaped by the expansion of digital platforms, boosting visibility and customer interaction.

### East India Retail Jewellery Market (CY19-CY24P)



Source: IMARC Group, CareEdge Research

Note: The above data for East India includes West Bengal, Bihar, Odisha & Jharkhand and excludes data for North-East India.

In CY23, the retail jewellery market in East India was valued at approximately Rs. 740 billion, with a compound annual growth rate (CAGR) of 1.4% from CY19 to CY23. Looking ahead, the market is projected to grow by 6.1% year-on-year in CY24. Future growth in East India's jewellery market is expected as consumer preferences increasingly incorporate contemporary designs alongside traditional styles. The adoption of digital marketing strategies and the rise of e-commerce will improve accessibility, engaging younger, tech-savvy consumers. Established jewellery brands are likely to expand their presence with new flagship stores in both urban and semi-urban regions, broadening their market reach. Additionally, initiatives that support local artisans and partnerships with digital platforms will further stimulate growth.

### **Jewellery Design Preference in East India**

Jewellery design preferences in the East India region are influenced by its rich cultural heritage, local traditions, and the impact of neighbouring countries like Bangladesh and Myanmar. The region, which includes states such as West Bengal, Odisha, Bihar, and Jharkhand, is known for its unique jewellery styles and a high demand for intricate artisanship. Here is an overview of the jewellery design preferences in East India:

#### **Traditional Jewellery Styles**

**Dokra (Dhokra) Jewellery:** Originating from Odisha and Jharkhand, this ancient tribal jewellery art uses the lost-wax casting technique. The pieces have a rustic, earthy charm, featuring detailed motifs of animals, nature, and tribal deities. Dokra jewellery is popular in both its traditional form and modern adaptations.

**Jhumkas and Chandbalis:** These elaborate earring styles are highly popular, often featuring floral patterns and intricate stone embellishments. A fusion of Mughal and local artistry, jhumkas and chandbalis are especially sought-after during weddings and festivals.

**Patachitra Jewellery:** This hand-painted jewellery, originating from Odisha, depicts mythological stories, gods, and nature. It is commonly seen in pendants and earrings, appreciated for its cultural significance and vibrant aesthetic.

#### **Gold Jewellery Preferences**

**Traditional Gold Ornaments:** Gold is considered a symbol of prosperity in East India, particularly in Bengal and Odisha. Gold jewellery, including chokers, heavy bangles, and elaborate necklaces, is integral to bridal trousseaus. These pieces often feature intricate motifs inspired by mythology, folklore, and nature, symbolizing wealth, and cultural pride.

**Swarna Shilpa (Gold Art):** Swarna Shilpa refers to the art of creating intricate gold patterns. Inspired by deities, floral designs, and peacocks, this type of gold jewellery resonates with the region's cultural and religious values. It is particularly popular during festivals and weddings, where ornate gold pieces are worn to celebrate the occasion.

**Filigree (Tarakasi) Work:** Originating in Odisha, Tarakasi is a form of delicate filigree work made by twisting fine gold or silver wires into lace-like patterns. Jewellery crafted in this style, such as rings, bangles, and earrings, is prized for its elegance and lightness, making it suitable for both daily wear and casual occasions.

#### **Gemstone Jewellery**

**Navratna Jewellery:** This style features nine precious gemstones — ruby, pearl, red coral, emerald, yellow sapphire, diamond, blue sapphire, hessonite, and cat's eye — each representing one of the nine planets in Hindu astrology. Navratna jewellery is both decorative and auspicious, believed to bring protection and prosperity. Rings, pendants, and earrings in this style are popular for their beauty and spiritual significance.

**Emerald, Ruby, and Sapphire Adornments:** East India's affinity for vibrant colours is reflected in its gemstone jewellery. Emeralds, rubies, and sapphires set in gold add elegance and colour to traditional jewellery. These gemstones are commonly found in necklace sets, rings, and bangles, appealing to affluent customers who value both the aesthetic and symbolic meanings of these stones, such as prosperity, power, and love.

### **Influences of Tribal Jewellery**

**Tribal Influence:** With a significant tribal population in Odisha, Jharkhand, and Chhattisgarh, tribal jewellery traditions are highly regarded. Crafted from materials like brass, copper, and silver, tribal jewellery features bold designs, such as chunky bangles, layered necklaces, and large earrings. These designs are particularly appreciated in urban markets for their earthy appeal and cultural significance, making them a statement choice for those looking to celebrate regional heritage.

**Beaded and Shell Jewellery:** Jewellery made from natural materials like shells, seeds, and beads is widely worn among East Indian tribes, especially along the coastal regions of Odisha and West Bengal. Shell jewellery, including necklaces, earrings, and anklets, is often layered or multi-stranded. This natural aesthetic has a strong appeal to younger generations, who favour its bohemian style and connection to nature.

### **Contemporary and Fusion Designs**

**Contemporary Bengali Designs:** Urban Bengali jewellery often combines traditional elements with modern designs. Lightweight gold or diamond pieces with minimal embellishments have gained popularity among young professionals, merging intricate patterns like meenakari work (a form of colourful enamel work) with sleek, minimalist shapes. These pieces offer a subtle nod to heritage while being suitable for everyday wear.

**Temple and Antique Jewellery:** Inspired by South Indian temple architecture, antique jewellery features motifs of deities, elephants, and floral designs. In Odisha, such jewellery is often worn during religious functions or weddings, symbolizing a spiritual connection. These pieces, often made of gold, have a slightly tarnished finish, giving them an antique look that resonates with those seeking both tradition and uniqueness.

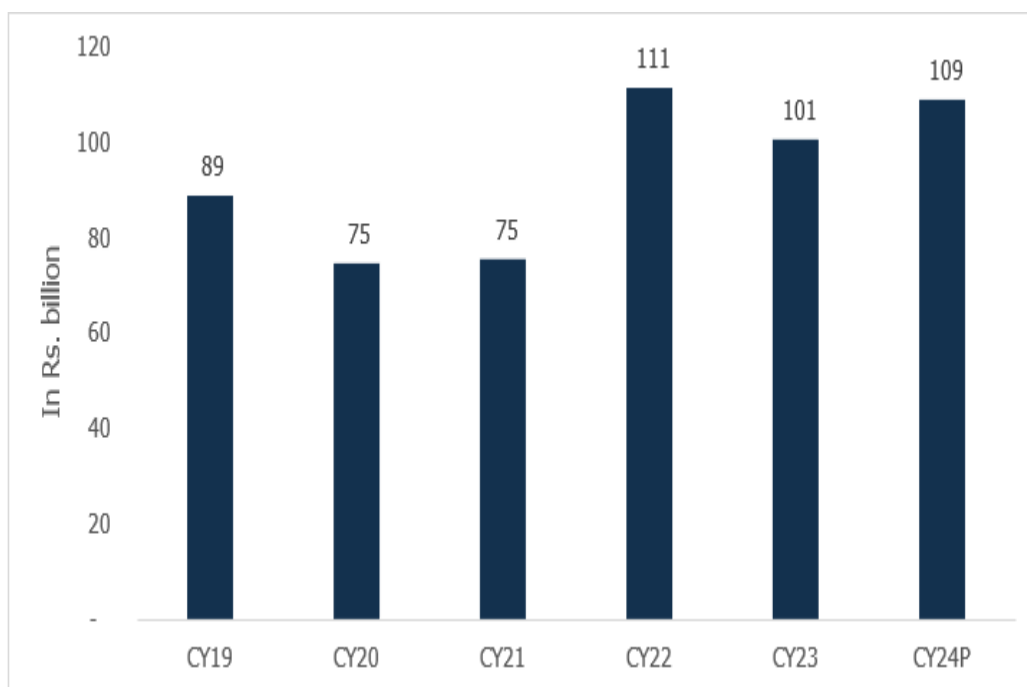
**Fusion with Meenakari and Kundan:** Kundan, the art of setting stones in pure gold, and Meenakari, known for its vibrant enamel detailing, are frequently used in East Indian jewellery. Jewellery pieces incorporating these techniques, such as bangles and chokers, appeal to those looking for intricate, colourful designs. These fusion pieces attract consumers who want to blend local traditions with influences from other regions.

### **Overview of Jewellery Demand in North-East India**

The jewellery market in North-East India is strongly influenced by its distinct cultural heritage, where the tradition of wearing meticulously crafted, handcrafted jewellery is integral to both everyday life and ceremonial occasions. The demand for gold and ethnic jewellery, particularly during regional festivals and unique events, remains a key driver of the market.

Economic growth and the increasing influx of domestic tourists have further boosted the demand for handcrafted jewellery. The region's diverse ethnic communities, each with its unique jewellery traditions, contribute to a rich and dynamic market.

### **North-East India Retail Jewellery Market (CY19-CY24P)**



Source: IMARC Group, CareEdge Research

In CY23, the retail jewellery market in North-East India was valued at approximately Rs. 101 billion, with a compound annual growth rate (CAGR) of 3.2% from CY19 to CY23. The market is projected to grow by 8.3% year-on-year in CY24. The outlook for the North-East India jewellery market is positive, driven by improved infrastructure and better connectivity, which are expanding access to both urban and rural markets. The retail expansion in smaller cities is enabling organized jewellery stores to establish a stronger presence, offering a wider variety of products to previously underserved regions. As consumers increasingly value jewellery that blends traditional artisanry with modern design, the market is poised for sustained growth. This fusion of heritage and contemporary styles is appealing to a diverse customer base, further fuelling market expansion.

### Jewellery Design Preference in North-East India

Jewellery design preferences in North-East India are a vibrant reflection of the region's cultural diversity, blending influences from Indigenous traditions and historical sources. Each state in the region—Assam, Manipur, Meghalaya, Nagaland, Arunachal Pradesh, Mizoram, Tripura, and Sikkim—boasts its own unique jewellery styles, often inspired by tribal customs, nature, and spirituality. Here's a closer look at the jewellery preferences across these states:

#### Assam

Assamese jewellery is known for its distinctive traditional designs, including Junbiri (crescent-shaped pendants), Gamkharu (thick bangles), and Lokaparo (twin bird earrings). Other popular pieces are Dholbiri (drum-shaped pendants) and Galpata (golden necklaces). Gold is the preferred metal, often accented with red enamel and sometimes set with gemstones like rubies, emeralds, and sapphires. Muga silk threads are also incorporated into jewellery, adding a special touch of Assamese heritage. Assamese jewellery often features motifs representing nature and culture, such as animals, plants, and geometric patterns, symbolizing prosperity, peace, and cultural pride.

#### Manipur

Manipuri jewellery is typically delicate, influenced by both the Meitei community of the valley and the tribal groups from the hills. Key pieces include Sampak (earrings), Taibang Jouba (bracelets), and Khutheks (ornamental ear cuffs). Silver, natural stones, and organic materials like shells are commonly used, reflecting the region's deep connection with nature. Silver is particularly favoured for its cultural significance and aesthetic appeal. The designs are minimalist, focusing on simplicity and elegance, with motifs inspired by local myths, nature, and spirituality.

## **Meghalaya**

Jewellery styles in Meghalaya vary across the Garo, Khasi, and Jaintia tribes. Khasi women often wear Paila, a necklace made from red coral beads, while Jaintia jewellery features layered beads and intricate patterns. Garo jewellery is characterized by heavier pieces like Doka, a large silver necklace. Coral, bamboo, silver, and beads are frequently used, emphasizing the cultural importance of nature and heritage. Jewellery in Meghalaya is deeply linked to spiritual beliefs, with certain pieces denoting status, marital status, and wealth within the community.

## **Nagaland**

Naga jewellery has a bold, warrior-like aesthetic influenced by the region's rich tribal heritage. Necklaces, especially Yantra (heavy necklaces), symbolize strength and status. Materials such as bone, animal teeth, feathers, and shells are commonly used, reflecting bravery and a deep connection to the natural world. Vibrant beads are also popular for creating elaborate, multi-layered necklaces. Each piece is not merely ornamental but carries significant cultural meaning, representing personal achievements, status, and identity within the tribe.

## **Arunachal Pradesh**

Arunachal Pradesh is home to various tribes like the Adi, Apatani, and Nyishi, each with its distinct jewellery styles. Popular pieces include Dengue (bangles) and Noppi (necklaces). The jewellery often incorporates materials like brass, silver, bamboo, animal bones, and beads, chosen for both accessibility and symbolic meaning. The designs are inspired by nature and tribal mythology, with pieces commonly worn during ceremonies alongside traditional attire.

## **Mizoram**

Mizoram jewellery tends to be minimalist, focusing on simple yet meaningful designs. Popular items include the Thihna (a neckpiece made of shells) and Vakiria (a feathered headdress decorated with beads). Organic materials such as shells, beads, and silver are frequently used, with earthy tones that complement traditional attire. The designs symbolize respect for nature and community, with each piece reflecting the tribal identity and heritage.

## **Tripura**

Jewellery in Tripura reflects the tastes of tribal communities like the Tripuri and Reang, who favour vibrant beads and shells. Notable pieces include Risha (decorative waist belts) and Kanthlang (intricately designed bangles). Traditional jewellery also includes brightly coloured beaded necklaces. Materials like silver, shells, and beads are commonly used, symbolizing the community's strong connection with nature and their tribal identity.

## **Sikkim**

Jewellery in Sikkim is heavily influenced by Tibetan Buddhism, resulting in designs that carry deep spiritual meaning. Pieces often feature symbolic elements associated with peace, balance, and prosperity. Traditional jewellery includes Perak (headdresses), Mala (prayer bead necklaces), and rings or amulets adorned with turquoise, coral, and amber stones. Turquoise, coral, amber, and silver are commonly used, with each stone chosen for its cultural and spiritual symbolism.

## **Threats and Challenges for the Gems and Jewellery Industry**

### **Shortage of Skilled Labour:**

One of the key challenges to scaling up operations in the jewellery industry is the scarcity of skilled labour. To have access to a large talent pool, the supply of craftsmen/artisans that come through generations must be supplemented by new talents who have been professionally taught. Moreover, the industry's on-the-job training strategy results in lengthier training times and gaps in the availability of skilled labour and standardization, particularly in the fragmented sector. This is compounded by infrastructural deficiencies, a lower need for institution-trained personnel in the fragmented sector, and the industry's limited appeal to the younger generation of workers.

- **Short-Lived Fashion and Design Preferences:**

Exporters do not have enough design development centres or the resources to constantly innovate contemporary designs to keep up with the changing trends among international purchasers. In an era of high diamond, gold, and silver prices, global marketing necessitates changing fashion in the gems and jewellery segment. According to the market demand, manufacturers can produce specific types of gems and jewellery products. However, because of the changing trend, demand for certain types of products begins to decline and eventually ceases. The manufacturer's money is blocked in the older designs, and this results in an inventory pile-up.

- **Dependency on Imports for Raw Materials:**

The availability of raw materials is crucial to the gems and jewellery business. In India, a significant percentage of raw materials are imported, as the domestic supply is limited. The raw material is converted into finished goods that are sold in the domestic and international markets. India is a net importer of raw gold and meets over 90% of its gold requirement through imports. The total gold imported (in value terms) by India was Rs. 3,773 billion in FY24 showing a 35% increase y-o-y. Gold in India is majorly imported from Switzerland, the United Arab Emirates, South Africa, Peru, and Australia, among other countries. Raw pearls, precious and semi-precious stones, and other items are imported from UAE, Hong Kong, USA, Belgium, and Russia.

Rough diamonds account for more than half of all G&J imports (57%). The total rough diamond imports in FY24 stood at Rs 1180.42 billion in value terms and 1246.17 lakh carats in volume terms. India imports rough diamonds primarily from the United Arab Emirates which accounts for 60% for FY24.

### **Impact of Global Slowdown**

The United States, the UAE, Hong Kong, Belgium, and Israel are key export destinations for the Indian G&J industry. The United States accounted for about 30% of total exports of gems and jewellery in FY24. Persistent high inflation rates and a slowdown in these economies will hurt the gems and jewellery exports from India.

### **Working Capital Strain Due to High Gold Prices**

High and volatile gold prices significantly impact the working capital requirements of India's gems and jewellery industry. Jewellers, particularly smaller players, need to maintain large gold inventories to meet customer demand. As gold prices rise, the cost of these inventories increases substantially.

Following the recent 9% reduction in import duty announced in the Union Budget, domestic gold prices experienced a 6% month-on-month decrease. However, year-to-date, domestic gold prices have still risen by 10% due to strong global gold prices, central bank buying, and various market factors, including inflation and geopolitical risks.

These elevated prices put intense pressure on jewellers' working capital, as borrowing becomes more expensive, and liquidity is constrained. Small and medium-sized jewellers are particularly affected by high borrowing costs. Increased interest expenses add further financial strain, reducing operational flexibility and complicating cash flow management. The Reserve Bank of India's gradual approach to gold purchasing has sustained demand for the metal, intensifying these working capital pressures.

Although government policies aimed at boosting consumer demand, such as reducing import duties, have encouraged sales and may alleviate some working capital needs by lowering inventory costs, jewellers still face challenges due to the requirement to maintain high-value gold inventories. This situation ties up substantial capital and creates financial and operational risks for jewellers.

- **Hedging Practices and Price Volatility**

In an environment of fluctuating gold prices, effective hedging is crucial for jewellers to manage financial risks. Many jewellers utilize hedging strategies on platforms like the Multi Commodity Exchange (MCX) to protect themselves against price volatility. However, the unpredictability of price swings complicates the matching of hedging positions with actual market conditions. The year-to-date increase of 10% in domestic prices, compared to an 18% rise in global prices, highlights the challenges jewellers encounter in accurately predicting price trends.

Hedging requires jewellers to effectively forecast costs, but if market prices deviate from these forecasts, it can lead to mismatched hedging positions and potential financial losses. Smaller jewellers, in particular, face difficulties due to the cost and technical demands of advanced hedging strategies. Adjustments in the treatment of long-term capital gains for gold ETFs have attracted interest, as evidenced in July, providing jewellers with an alternative avenue for investment and hedging. However, while these ETFs offer benefits, they often require significant resources and expertise, which may not be accessible to all industry players.

With pro-gold policies in the Union Budget, jewellers anticipate a rise in domestic demand that could increase gold consumption by up to 50 tonnes in the second half of 2024. This expected growth may lead to further volatility, making effective hedging even more important. Despite government measures and available hedging platforms, many jewellers remain exposed to the risks of price fluctuations, emphasizing the need for improved risk management practices and potentially greater access to financial tools designed specifically for the jewellery sector.

## Competitive Mapping

### Overview and Operational Benchmarking

#### Company Profile

| Company Name                   | Year of Establishment | Description                                                                                                                                                                                                                                                                                                                                         | Key Products Segments                                   |
|--------------------------------|-----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|
| Senco Gold Ltd                 | 1994                  | SGL was incorporated in August 1994 as a private limited company and later converted to a public limited company in 2007. It manufactures and retails a range of jewellery, including plain and studded gold pieces, as well as diamond, platinum, and silver jewellery. The company also exports to wholesalers in Singapore, Dubai, and Malaysia. | Gold, diamond, platinum and silver jewellery            |
| Titan Company Limited          | 1994                  | Titan Company Ltd., a joint venture between the Tata Group and Tamil Nadu Industrial Development Corporation, began operations in 1984 as Titan Watches Ltd. The company expanded into jewellery in 1995 with the launch of Tanishq showrooms across India.                                                                                         | Gold, Diamond, Gemstone, Solitaire and Digital Gold     |
| Kalyan Jewellers India Limited | 1993                  | Founded in 1993, Kalyan Group's KJIL is a well-established jewellery retailer in southern India, with an expanding presence in other regions. The company also operates in the Middle East through wholly owned and step-down subsidiaries.                                                                                                         | Gold, diamond, pearl, gemstone, white gold and platinum |
| P.N. Gadgil Jewellers Limited  | 2013                  | P. N. Gadgil Jewellers, incorporated in 2013, carries forward the P. N. Gadgil brand's heritage, established in 1832. The company is known for its craftsmanship and offers a range of gold, diamond, and platinum jewellery, reflecting longstanding traditions.                                                                                   | Gold, diamond, platinum and silver jewellery            |
| Thangamayil Jewellery Ltd      | 2000                  | TJL's business began as a proprietorship founded by Balusamy Chettiar in 1947 and was later reconstituted as a public limited company in 2007. The company is a retailer of gold, diamond, and silver jewellery, based in Madurai, Tamil Nadu                                                                                                       | Gold, Diamond, Gemstone and Silver                      |

|     |      |                                                                                                                                                                     |                                                                  |
|-----|------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|
| TBZ | 1864 | TBZ is a part of the TBZ–The Original parent brand, which started operations in 1864 and was converted from a private to a public limited company in December 2010. | Gold, diamond and platinum jewellery; gemstones; Jadau jewellery |
|-----|------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|

Source: Company Websites, Industry Sources, CareEdge Estimates

### Operational Benchmarking

| Company Name                   | Number of Stores | Capex Per Store (In Rs. Cr.) | Geographical Presence                                                                                         | Revenue Per Sq. Ft (In Rs.) | Revenue Per Store (In Rs Cr.) | Credit Ratings |
|--------------------------------|------------------|------------------------------|---------------------------------------------------------------------------------------------------------------|-----------------------------|-------------------------------|----------------|
| Senco Gold Ltd                 | 159              | 2.12                         | India-West Bengal, Uttar Pradesh, Odisha, Jharkhand, Karnataka, Madhya Pradesh, Maharashtra, Assam, and Dubai | 4,38,962                    | 33.0                          | A2             |
| Titan Company Limited          | 497              | N/A                          | India, Dubai, Singapore, Chicago, USA                                                                         | 1,62,163                    | 45.1                          | AAA            |
| Kalyan Jewellers India Limited | 217              | 10.61                        | India and the Middle East                                                                                     | 2,49,305                    | 91.4                          | A+             |
| P.N. Gadgil Jewellers Limited  | 36               | N/A                          | India and USA                                                                                                 | 5,29,179                    | 185.2                         | N/A            |
| Thangamayil Jewellery Ltd      | 59               | 9.33                         | South India                                                                                                   | 4,17,000                    | 67.1                          | A-             |
| TBZ                            | 33               | 9.46                         | Maharashtra, Gujarat, Madhya Pradesh, Uttar Pradesh, Chhattisgarh                                             | 2,29,894                    | 67.6                          | A-             |

Source: Company Websites, Industry Sources, CareEdge Estimates, Note: The store count is as of FY24 as per the annual reports of the companies. In the above table Titan Company Limited, all data is taken from the jewellery segment of the company.

### Financial Benchmarking

#### Revenue (In Rs Million)

| Company Name                   | FY22     | FY23     | FY24     |
|--------------------------------|----------|----------|----------|
| Senco Gold Ltd                 | 35,476   | 41,085   | 52,837   |
| Titan Company Limited          | 2,90,330 | 4,08,830 | 5,16,170 |
| Kalyan Jewellers India Limited | 1,08,562 | 1,41,093 | 1,86,220 |
| P.N. Gadgil Jewellers Limited  | 25,860   | 45,591   | 61,202   |
| Thangamayil Jewellery Ltd      | 21,948   | 31,559   | 38,322   |
| TBZ                            | 18,516   | 23,986   | 23,047   |

Source: Company Annual Reports, Industry Sources, CareEdge Estimates

**Gross Margin (In %)**

| Company Name                   | FY22  | FY23  | FY24  |
|--------------------------------|-------|-------|-------|
| Senco Gold Ltd                 | 19.8% | 27.1% | 25.6% |
| Titan Company Limited          | 23.2% | 33.7% | 29.3% |
| Kalyan Jewellers India Limited | 10.2% | 6.9%  | 8.0%  |
| P.N. Gadgil Jewellers Limited  | 9.8%  | 8.0%  | 8.4%  |
| Thangamayil Jewellery Ltd      | 10.9% | 13.4% | 10.3% |
| TBZ                            | 29.6% | 42.8% | 40.6% |

Source: Company Annual Reports, Industry Sources, CareEdge Estimates

**EBITDA (In Rs Million)**

| Company Name                   | FY22   | FY23   | FY24   |
|--------------------------------|--------|--------|--------|
| Senco Gold Ltd                 | 2,780  | 3,166  | 3,755  |
| Titan Company Limited          | 33,410 | 48,790 | 52,920 |
| Kalyan Jewellers India Limited | 8,145  | 11,140 | 13,127 |
| P.N. Gadgil Jewellers Limited  | 1,103  | 1,225  | 2,703  |
| Thangamayil Jewellery Ltd      | 862    | 1,529  | 2,124  |
| TBZ                            | 763    | 1,163  | 1,393  |

Source: Company Annual Reports, Industry Sources, CareEdge Estimates

**EBITDA Margin (In %)**

| Company Name                   | FY22 | FY23 | FY24 |
|--------------------------------|------|------|------|
| Senco Gold Ltd                 | 8%   | 8%   | 7%   |
| Titan Company Limited          | 12%  | 12%  | 10%  |
| Kalyan Jewellers India Limited | 8%   | 8%   | 7%   |
| P.N. Gadgil Jewellers Limited  | 4%   | 3%   | 4%   |
| Thangamayil Jewellery Ltd      | 4%   | 5%   | 6%   |
| TBZ                            | 4%   | 5%   | 6%   |

Source: Company Annual Reports, Industry Sources, CareEdge Estimates

**PAT (In Rs Million)**

| Company Name                   | FY22   | FY23   | FY24   |
|--------------------------------|--------|--------|--------|
| Senco Gold Ltd                 | 1,302  | 1,585  | 1,810  |
| Titan Company Limited          | 21,980 | 32,740 | 34,960 |
| Kalyan Jewellers India Limited | 2,240  | 4,319  | 5,963  |
| P.N. Gadgil Jewellers Limited  | 695    | 935    | 1,551  |
| Thangamayil Jewellery Ltd      | 386    | 797    | 1,232  |
| TBZ                            | 202    | 402    | 544    |

Source: Company Annual Reports, Industry Sources, CareEdge Estimates

**PAT Margin (In %)**

| Company Name                   | FY22 | FY23 | FY24 |
|--------------------------------|------|------|------|
| Senco Gold Ltd                 | 4%   | 4%   | 3%   |
| Titan Company Limited          | 8%   | 8%   | 7%   |
| Kalyan Jewellers India Limited | 2%   | 3%   | 3%   |
| P.N. Gadgil Jewellers Limited  | 3%   | 2%   | 3%   |
| Thangamayil Jewellery Ltd      | 2%   | 3%   | 3%   |
| TBZ                            | 1%   | 2%   | 2%   |

Source: Company Annual Reports, Industry Sources, CareEdge Estimates

#### Return on Capital Employed (ROCE) (In %)

| Company Name                   | FY22 | FY23 | FY24 |
|--------------------------------|------|------|------|
| Senco Gold Ltd                 | 28%  | 26%  | 22%  |
| Titan Company Limited          | 29%  | 35%  | 35%  |
| Kalyan Jewellers India Limited | 17%  | 20%  | 21%  |
| P.N. Gadgil Jewellers Limited  | 18%  | 26%  | 32%  |
| Thangamayil Jewellery Ltd      | 18%  | 26%  | 32%  |
| TBZ                            | 10%  | 15%  | 18%  |

Source: Company Annual Reports, Industry Sources, CareEdge Estimates

#### Return on Equity (ROE) (In %)

| Company Name                   | FY22 | FY23 | FY24 |
|--------------------------------|------|------|------|
| Senco Gold Ltd                 | 18%  | 17%  | 13%  |
| Titan Company Limited          | 24%  | 28%  | 37%  |
| Kalyan Jewellers India Limited | 7%   | 12%  | 14%  |
| P.N. Gadgil Jewellers Limited  | 12%  | 21%  | 25%  |
| Thangamayil Jewellery Ltd      | 12%  | 21%  | 25%  |
| TBZ                            | 4%   | 7%   | 9%   |

Source: Company Annual Reports, Industry Sources, CareEdge Estimates

#### Total Debt (In Rs. Million)

| Company Name                   | FY22   | FY23   | FY24   |
|--------------------------------|--------|--------|--------|
| Senco Gold Ltd                 | 8,630  | 11,793 | 14,983 |
| Titan Company Limited          | 5,180  | 21,950 | 78,380 |
| Kalyan Jewellers India Limited | 18,664 | 16,550 | 10,643 |
| P.N. Gadgil Jewellers Limited  | 4,068  | 5,483  | 5,005  |
| Thangamayil Jewellery Ltd      | 4,068  | 5,483  | 5,005  |
| TBZ                            | 5,090  | 4,867  | 5,330  |

Source: Company Annual Reports, Industry Sources, CareEdge Estimates

#### Working Capital Cycle (In Days)

| Company Name                   | FY22 | FY23 | FY24 |
|--------------------------------|------|------|------|
| Senco Gold Ltd                 | 135  | 158  | 160  |
| Titan Company Limited          | 162  | 143  | 132  |
| Kalyan Jewellers India Limited | 177  | 156  | 130  |
| P.N. Gadgil Jewellers Limited  | 124  | 112  | 112  |
| Thangamayil Jewellery Ltd      | 124  | 112  | 112  |
| TBZ                            | 199  | 155  | 175  |

Source: Company Annual Reports, Industry Sources, CareEdge Estimates

#### Marketing Expenditure as % of Revenue from Operations

| Company Name                   | FY22 | FY23 | FY24 |
|--------------------------------|------|------|------|
| Senco Gold Ltd                 | 1%   | 2%   | 2%   |
| Titan Company Limited          | 2%   | 2%   | 2%   |
| Kalyan Jewellers India Limited | 1%   | 1%   | 1%   |
| P.N. Gadgil Jewellers Limited  | 1%   | 1%   | 1%   |
| Thangamayil Jewellery Ltd      | 1%   | 1%   | 1%   |

|     |    |    |    |
|-----|----|----|----|
| TBZ | 2% | 2% | 2% |
|-----|----|----|----|

Source: Company Annual Reports, Industry Sources, CareEdge Estimates Note: The Advertisement expense is considered as marketing expenses

## Business Profile

### Material Information

Senco Gold Ltd. was originally established as Senco Gold Private Limited on August 22, 1994, in Kolkata, West Bengal, under the provisions of the Companies Act, 1956. In August 2007, the company was converted into a public limited company and renamed Senco Gold Limited to facilitate its expansion in the Jewellery business. This decision was formalized through a resolution by the Board of Directors and a special resolution passed by shareholders at an Extraordinary General Meeting (EGM) held on August 8, 2007. Following the name change, a fresh certificate of incorporation was issued on August 31, 2007, by the Registrar of Companies, West Bengal.

The company primarily focuses on the retail of gold, diamonds, and other Jewellery products and has grown over the years to establish a significant footprint in the Indian market. Senco Gold operates both through a network of stores and an online platform, providing a wide variety of Jewellery offerings to customers.

Many key jewellers, including Senco Gold & Diamonds, have expanded their operations to retail Jewellery online, catering to a growing demand for digital shopping experiences. While Jewellery for women constitutes the majority of the Jewellery market, large organized retailers, including Senco Gold, have also diversified their product offerings to include dedicated Jewellery lines for men.

### Products and Collections

| Products                                                                         | Collections                                    |
|----------------------------------------------------------------------------------|------------------------------------------------|
| Gold, diamond, lab-grown diamonds, loose diamonds, platinum and silver jewellery | Everlite, Vivaha, Gossip, Perfect Love, Shloka |

### Jewellery Retailers Stores in India by Region

| Company Name                           | East & North East | West & Central | North | South |
|----------------------------------------|-------------------|----------------|-------|-------|
| Senco Gold Ltd                         | 121               | 12             | 21    | 5     |
| Kalyan Jewellers India Ltd             | 36                | 61             | 41    | 79    |
| Joyalukkas India Pvt Ltd               | 2                 | 8              | 6     | 83    |
| Titan Company Ltd (Jewellery division) | 71                | 145            | 103   | 178   |
| Tribhovandas Bhimji Zaveri Ltd         | 5                 | 22             | 2     | 4     |
| Thangamayil Jewellery Ltd              | 0                 | 0              | 0     | 59    |
| P.N. Gadgill                           | 0                 | 36             | 0     | 0     |
| <b>Other East-Based player</b>         |                   |                |       |       |
| PC Chandra Jeweller                    | 60                | 2              | 2     | 3     |
| MP Jewellers                           | 34                | 0              | 0     | 0     |

Source: Company Websites, Industry Sources, CareEdge Estimates; Note: Jewellery retailers stores as of FY24.

Senco Gold Ltd is the largest organized jewellery retailer in the Eastern and North-eastern regions of India in terms of store count among its competitors. Additionally, within Eastern and North-eastern regions, Senco Gold Ltd has more presence in Tier 3 and Tier 4 cities.

Senco has the widest geographical footprint in non-eastern states compared to PC Chandra Jeweller and MP Jewellers.

**Jewellery Retailers Stores in India by Region (COCO & FOFO Model)**

| Company Name                    | COCO | FOFO |
|---------------------------------|------|------|
| Senco Gold Ltd                  | 99   | 67   |
| P.N. Gadgil Jewellers Limited   | 28   | 11   |
| Tribhovandas Bhimji Zaveri Ltd* | 30   | 3    |

Source: Company Websites, Industry Sources, CareEdge Estimates; Note: Jewellery retailers stores as of September 2024.

\*- Jewellery retailers store as of FY24

Senco Gold has 99 COCO (Company Owned Company Operated) and 67 FOFO (Franchise Owned Franchise Operated) stores. However, the FOFO model includes 3 FOCO (Franchise Owned Company Operated).

## OUR BUSINESS

*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 20 for a discussion of the risks and uncertainties related to those statements and also “Risk Factors”, “Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 57, 316 and 118, 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.*

*Our fiscal year ends on March 31 of each year. Accordingly, references to a “Fiscal” year are to the 12-month period ended March 31 of the relevant year. Unless otherwise indicated or the context otherwise requires, the financial information for Fiscals 2022, 2023 and 2024 included herein is derived from the Audited Consolidated Financial Statements and the financial information for the six months period ended September 30, 2024, included herein is derived from the Unaudited Limited Review Results included in this Preliminary Placement Document. For further information, see “Financial Information” on page 316.*

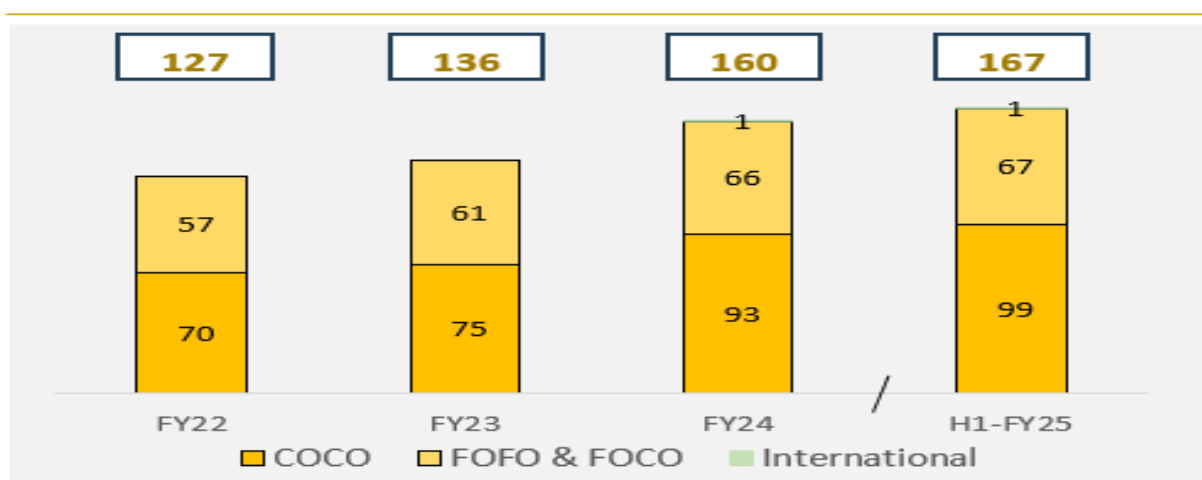
*Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled “Industry Research Report on Indian Gems and Jewellery” (“**CARE Report**”) dated December 2024 prepared and issued by CARE Analytics and Advisory Limited exclusively commissioned and paid for by us to enable the investors to understand the industry in which we operate in connection with this Issue. The data included herein includes excerpts from the CARE Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the proposed Issue), that has been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the CARE Report and included herein with respect to any particular year refers to such information for the relevant calendar/Fiscal, as applicable. For more information, see “Risk Factors – Certain sections of this Preliminary Placement Document disclose information from the industry report which has been commissioned and paid for by us exclusively in connection with the Issue and any reliance on such information for making an investment decision in the Issue is subject to inherent risks.” on page 86.*

### Overview

We are the largest organized jewellery retailer in the eastern and north-eastern region of India in terms of store count. We have the widest geographical footprint in non-eastern states among eastern India-based jewellery retailers. Additionally, within eastern and north-eastern regions, our Company has more presence in Tier 3 and Tier 4 cities. (Source: CARE Report). We are a pan-India jewellery retail player with a history of more than five decades and have a fourth generation entrepreneur in the jewellery industry as our Promoter. We primarily retail gold and diamond jewellery, besides retailing jewellery made of silver, platinum and precious and semi-precious stones and other metals. Our other offerings also include costume jewellery, gold and silver coins and utensils made of silver. With a catalogue offering more than 164,000 designs for gold jewellery and more than 94,000 designs for diamond jewellery, we offer a large variety of designs of handcrafted jewellery. Most of our designs are manufactured in-house by our designers in close collaboration with skilled local craftsmen (generally termed Karigars/Karigar entities) in Kolkata and across the country. Machine made light weight jewellery in gold and diamonds are manufactured at our manufacturing facility based on designs prepared by our inhouse designers as well as sourced from third partner manufacturing vendors. Our products are sold under the brand name of “Senco Gold & Diamonds”, through multiple channels, including our 167 Showrooms, as on September 30, 2024 and various online platforms, including our website [www.sencogoldanddiamonds.com](http://www.sencogoldanddiamonds.com), My Senco App, and our virtual store called Sencoverse. Our strategy of operating through multiple channels enables us to allocate capital as required, while we continue to expand geographic presence and work towards an omni channel network and maximise our customer’s ease of access and user experience.

As on September 30, 2024, we have 167 showrooms across 108 cities and towns over 16 states in India and 1 International showroom in Dubai, United Arab Emirates. We have been able to achieve deep market presence in Tier I and Tier II locations through Franchisee Showrooms.

Our Showroom growth for Fiscals 2022, 2023 and 2024 and the six months period ended September 30, 2024 are as follows:



### Total Stores

Further, we consistently work towards providing an omni channel experience both in-showroom as well as through our websites [www.sencogoldanddiamonds.com](http://www.sencogoldanddiamonds.com), [www.mygossip.in](http://www.mygossip.in), [www.everlite.in](http://www.everlite.in), [www.mydigigold.com](http://www.mydigigold.com), [www.mydigisilver.com](http://www.mydigisilver.com), [www.mysenco.in](http://www.mysenco.in) and My Senco App complementing our ability to reach customers. We also have marketing arrangements with leading online marketplaces. Our Company has also been enrolled in Open Network of Digital Commerce which also enhances our exposure in the e-commerce market. We have incorporated video calling and tele calling services to provide the flexibility to our customers to purchase jewellery from the comfort of their homes and elsewhere. We have built and continue enhancing our centralised digital infrastructure, through our real-time inventory tracking feature in order to make our operational management more seamless, making our front and back-end user interface more advanced and user friendly, which in turn enables us to offer faster services.

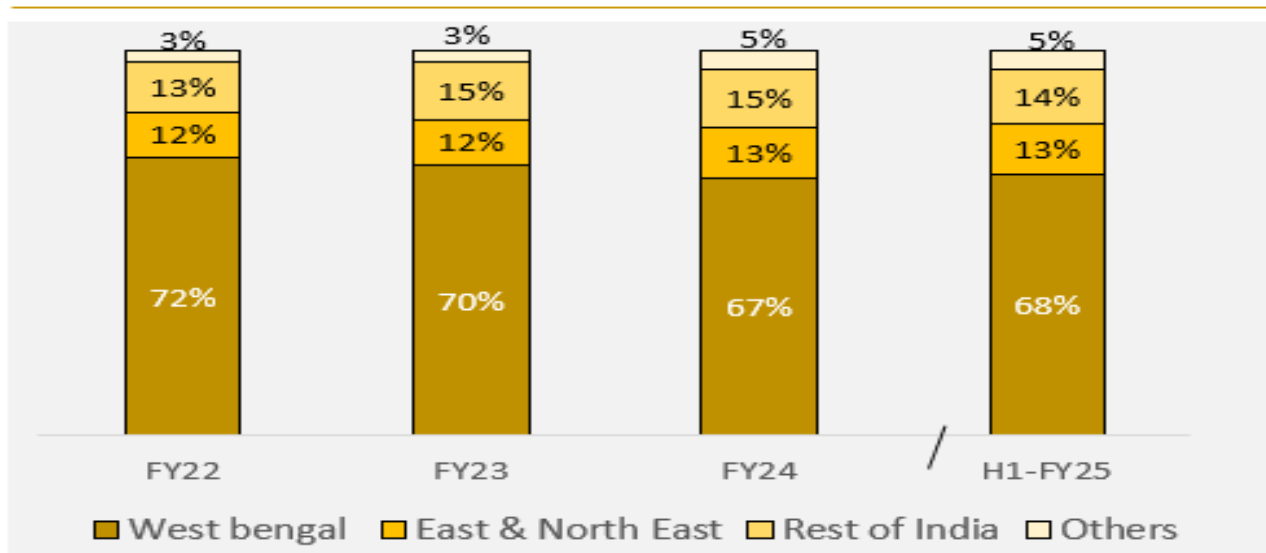
The following table sets forth the contribution of each product type to our revenue from operations for the periods presented:

| Particulars                               | For the six months period ended September 30, 2024 (₹ in million) | % of total Revenue from Operations | For the year ended March 31, 2024 (₹ in million) | % of total Revenue from Operations | For the year ended March 31, 2023 (₹ in million) | % of total Revenue from Operations | For the year ended March 31, 2022 (₹ in million) | % of total Revenue from Operations |
|-------------------------------------------|-------------------------------------------------------------------|------------------------------------|--------------------------------------------------|------------------------------------|--------------------------------------------------|------------------------------------|--------------------------------------------------|------------------------------------|
|                                           | (Unaudited)                                                       |                                    | (Audited)                                        |                                    | (Audited)                                        |                                    | (Audited)                                        |                                    |
| <b>Sale of products</b>                   |                                                                   |                                    |                                                  |                                    |                                                  |                                    |                                                  |                                    |
| Gold jewellery                            | 24,907.56                                                         | 85.76                              | 44,611.46                                        | 85.11                              | 34,806.66                                        | 85.36                              | 31,114.59                                        | 88.03                              |
| Diamond and precious/semi precious stones | 3,005.45                                                          | 10.35                              | 5,731.46                                         | 10.93                              | 4,220.43                                         | 10.35                              | 2913.52                                          | 8.24                               |
| Precious/semi-precious diamonds           | 71.48                                                             | 0.25                               | 137.75                                           | 0.26                               | 121.04                                           | 0.30                               | 103.06                                           | 0.29                               |
| Silver jewellery and articles             | 281.02                                                            | 0.97                               | 481.21                                           | 0.92                               | 390.39                                           | 0.96                               | 338.56                                           | 0.96                               |
| Platinum jewellery                        | 645.47                                                            | 2.22                               | 1234.43                                          | 2.36                               | 1,060.36                                         | 2.60                               | 714.8                                            | 2.02                               |
| Fashion jewellery                         | 59.80                                                             | 0.21                               | 118.16                                           | 0.23                               | 96.76                                            | 0.24                               | 67.80                                            | 0.19                               |
| Novelty and accessories                   | 27.03                                                             | 0.09                               | 2.4                                              | 0.0046                             | 1.85                                             | 0.0045                             | 1.57                                             | 0.00                               |

| Particulars                            | For the six months period ended September 30, 2024 (₹ in million) | % of total Revenue from Operations | For the year ended March 31, 2024 (₹ in million) | % of total Revenue from Operations | For the year ended March 31, 2023 (₹ in million) | % of total Revenue from Operations | For the year ended March 31, 2022 (₹ in million) | % of total Revenue from Operations |
|----------------------------------------|-------------------------------------------------------------------|------------------------------------|--------------------------------------------------|------------------------------------|--------------------------------------------------|------------------------------------|--------------------------------------------------|------------------------------------|
|                                        | (Unaudited)                                                       |                                    | (Audited)                                        |                                    | (Audited)                                        |                                    | (Audited)                                        |                                    |
| Sub-total (A)                          | 28,997.81                                                         | 99.84                              | 52,316.87                                        | 99.81                              | 40,697.49                                        | 99.81                              | 35,253.90                                        | 99.74                              |
| Other operating revenue                |                                                                   |                                    |                                                  |                                    |                                                  |                                    |                                                  |                                    |
| Franchisee fees                        | 45.96                                                             | 0.16                               | 97.54                                            | 0.19                               | 76.56                                            | 0.19                               | 92.49                                            | 0.26                               |
| Sub-total (B)                          | 45.96                                                             | 0.16                               | 97.54                                            | 0.19                               | 76.56                                            | 0.19                               | 92.49                                            | 0.26                               |
| Total Revenues from operations (C=A+B) | 29,043.76                                                         | 100.00                             | 52,414.41                                        | 100.00                             | 40,774.04                                        | 100.00                             | 35,346.41                                        | 100.00                             |

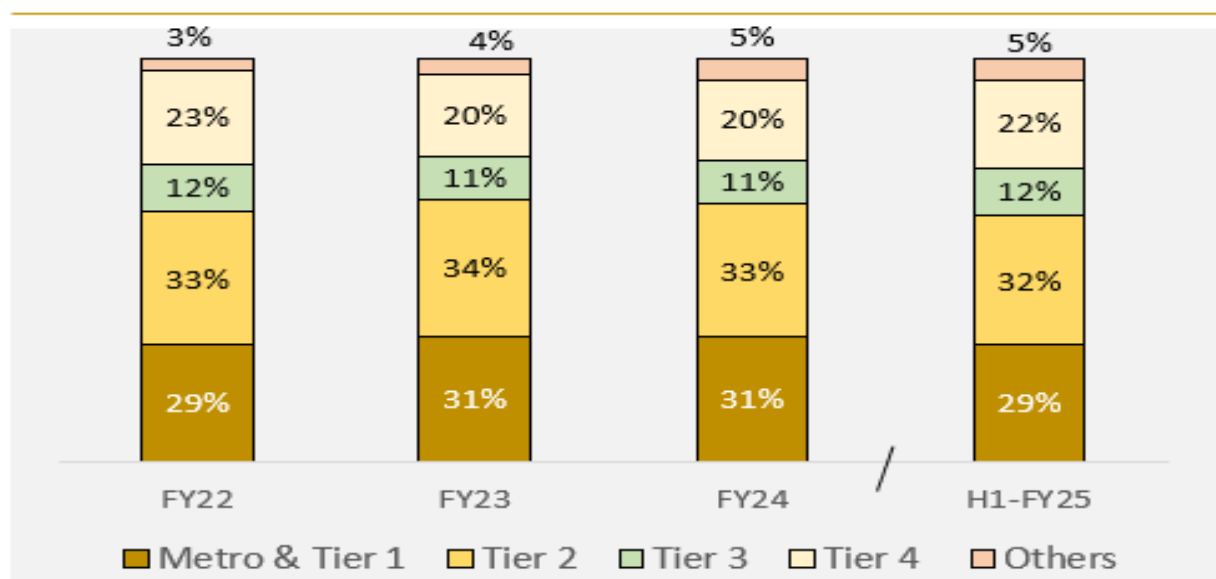
We have also launched online platforms for the purchase of digital gold and digital silver named mydigigold.com and mydigisilver.com respectively. We also allow customers to accumulate gold in a physical third-party secure vault and to subsequently sell the same online or redeem the gold in the form of jewellery at any of our Showrooms. We also offer jewellery purchase schemes with monthly installments from six months up to 11 months with minimum investments starting from ₹ 1,000. Our jewellery purchase schemes have been rated as [ICRA] A (stable) to the extent of ₹ 4,750.00 million by ICRA Limited and our bank facilities are rated by ICRA Limited as [ICRA]A (stable) indicating low credit risk, to the extent of ₹ 18,000.00 million.

Further, our revenue from operations split (without including franchisee fees and discount allowed) by region and location is as follows:



Note: Others constitutes exports, DG Gold, DG Silver, corporate and e-commerce sales. E&NE excludes West Bengal.

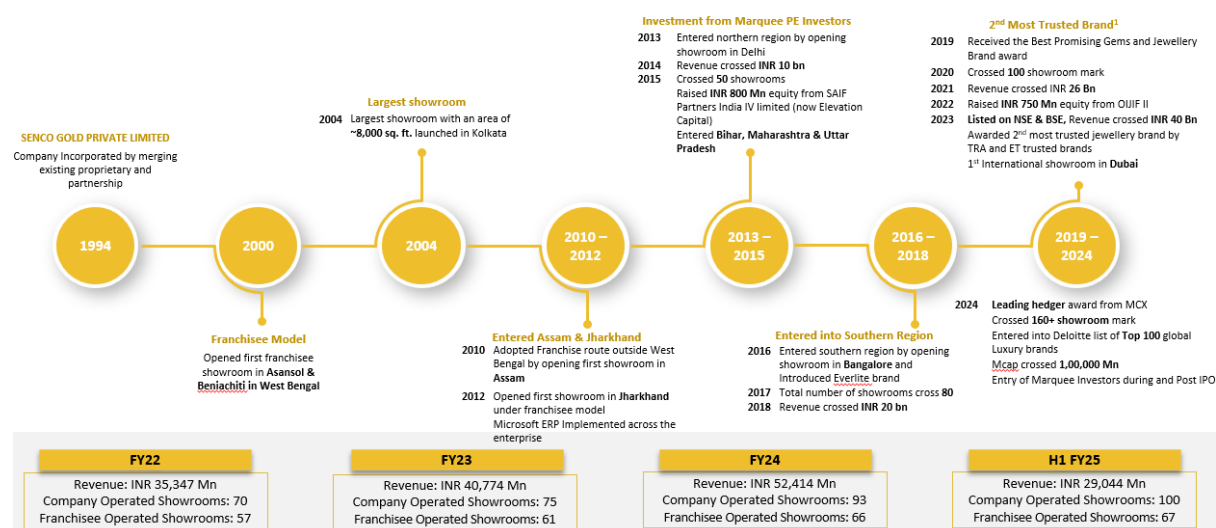
### Revenue split by region



Note: Others constitutes exports, DG Gold, DG Silver, corporate and e-commerce sales.

### Revenue split by location

A brief history of our Company is mentioned below:



Senco has been in business for more than five decades, making sure that we are associated to our customers catering to their specific needs. We focus significantly on customer retention and align our services in a manner that it remains customer centric whilst delivering on quality and design excellence along with price transparency. We are committed to serving our customers with the finest products and services while also being a responsible company that incorporates quality norms, loyalty programs, hyper local offerings, phygital approach in its business process in addition to making sure that we manufacture jewellery in line with the latest market trends and regional variations.

We have a dedicated design team, comprising 14 designers as on September 30, 2024, focused on developing new products and designs that meet customers' expectations. We also customize jewellery catering to individual requirements in terms of design, size, polish and weight. Our designing team takes a personalised approach to align the designs and make them more localised which helps us generate ethos with the customers from our diversified geographical presence throughout the country. Our team also undertakes thorough approach towards trend - analysis in seasonal jewellery and jewellery for specific trends to keep the designs at par with them. We aim to design jewellery and other goods in a manner that our customers are not just appealed by but also identify with them. The manufacturing of our jewellery is carried out mainly by over 179 experienced Karigars/Karigar entities in Kolkata, West Bengal and other parts of India under Karigar Agreements. In addition to exquisitely hand-crafted jewellery, we also manufacture machine crafted jewellery and source jewellery from third party vendors. Our presence in West Bengal gives us access to skilled Karigars/Karigar entities, who have been working with our Company for several years. We believe that our scale of operations enables us to commit significant volumes of work to Karigars/Karigar entities, which in turn enables them to offer quality finished products to us at competitive prices while allowing us to maintain exclusivity of our in-house designed jewellery and also makes us promoters of indigenous craftsmanship. West Bengal is a prominent jewellery manufacturing hub in east India, reputed for light weight and handmade jewellery. The artisans or Karigars/Karigar entities of the state are skilled and known for their craftsmanship.

We offer a diverse range of jewellery collection, which includes gold jewellery, diamond jewellery, platinum jewellery and studded jewellery of various forms, across various price points to maximise our customer base. We offer our customers a wide variety of choices in product range and designs in order to cater to regional tastes. We have also entered into the lab-grown diamonds manufacturing and retailing segment. We retail lab-grown diamonds through our brand 'Sennes'. Further, we believe that our strategy and experience in selling light weight jewellery has enabled us to reach out to a wide customer base across age groups. Our strategic presence in both Tier II and Tier III cities enables us to widen our customer base and further diversify our designs to cater to their regional preferences. This presence in the three Tiers also allows us to surpass the stress of keeping up with expansion plans and also helps us stay ahead of and reap the benefits of rapid urbanisation. Through our *Everlite* (light weight jewellery), *Gossip* (silver and fashion jewellery) brands and our *Aham* collection (jewellery for men) and our collections like Evil Eye, Mariposa, Shakti, Ameerah etc, we aim to cater to the younger generation and the 'upwardly mobile' of India by building brands focused on jewellery of smaller average ticket size. The share of working age population (15-64 years) as a part of overall population has risen from ~65% in calendar year 2013 to ~67% in 2021. Accordingly, CARE expects that demand for lightweight, daily-wear fashion jewellery is expected to rise as the younger generation enters the workforce. (Source: CARE Report). Through our *D'Signia* Showrooms and Vivaha collection we aim to cater to customers seeking heavier or premium designer jewellery or a more premium jewellery retail shopping experience. Our standard Showrooms have an Average Transactional Value of ~₹ 77,000, while our *D'Signia* Showrooms have an Average Transactional Value of ~₹ 84,853 and our Everlite Showrooms have an Average Transactional Value of ~₹ 46,000, each for Fiscal 2024.



**Senco Showroom**



**D'Signia Showroom**



**Everlite Showroom**



**Sennes Showroom**

Our marketing campaigns are tailored to enhance our brand recall and generate increased footfalls in our Showrooms throughout the year as well as to highlight our plethora of collections and designs. We tailor our marketing schemes such that they are specific to fit the occasions and particular seasons like Akshay Tritiya, Dhanteras, Diwali, Weddings and other festivities and occasions when people customarily buy jewellery, catering to their specific needs. Marketing and advertising forms an essential part of our business process and we take it as a means of establishing a personal connection with our customers. During the Fiscals 2024, 2023 and 2022, and for the six months period ended September 30, 2024, we incurred expenses of ₹ 1,033.73 million, ₹ 810.36 million, ₹ 505.82 million and ₹ 665.73 million, respectively, on advertising and sales promotion representing 1.97%, 1.99%, 1.43% and 2.29%, respectively of the revenue from operations for the respective periods. As a part of our marketing initiatives, we tie-up with celebrities as brand ambassadors to promote our brand or specific collections in addition to these collaborations we also sponsor sporting teams and events. Over the years, we have appointed actors such as Kartik Aryan, Kiara Advani and Vidya Balan as brand ambassadors to enhance our brand presence and market our products. We also regularly tie-up with other regional celebrities, such as Ishaa Saha (alias Moumita Saha), Sauraseni Maitra, Swastika Dutta and Jaya Ahsan to enhance our brand presence for specific markets and to increase our regional appeal. We have implemented a loyalty program with approximately 2.50 million customers, as of September 30, 2024, through which they can earn benefits on repeated purchases or referrals and we have entered into an agreement with a third party service provider for providing among others, financing facilities to enable customers to purchase high value diamond jewellery with an option for paying in installments.

We believe that our long track-record in terms of longevity, design excellence and consistent appeal evokes consumers' trust in our products. We have been consistently in the league of most trusted jewellery brands and have improved our ranking from 4<sup>th</sup> most trusted jewellery brand by TRA's Brand Trust Report 2017 to 2<sup>nd</sup> most trusted jewellery brand by TRA's Brand Trust Report 2020. We have been consistently ranked 2<sup>nd</sup> by TRA's Brand Trust Report in the jewellery category for each of the years 2020-2024. We have also received the award of "Excellence in Design Innovation in Gold & Design" by Jagran Achiever Awards 2023, "Best Hedger Award" by MCX Awards 2024. We have also received "Great Place to Work" Certificate for 2<sup>nd</sup> Time in a row. We have achieved the Position of "Best Jewellery Retailer of the Year" by IREC Awards 2024. We have been awarded the Best Brand in Jewellery Category by The Economic Times in 2021. Our Company has also been awarded the Business Leadership Award by CMA Management Excellence and Shakti award for women leadership in Jewellery sector by Informa market and SVAR in 2022. Our Company has also received Best Retail Brand Award at the 8<sup>th</sup> Bullion & Jewellery Awards, 2023 and Excellence in Design and Innovation in Gold & Diamond at Jagran Achiever Awards in 2023.

We stringently follow the hallmarking process for our gold jewellery. All our diamonds, comprising jewellery and loose diamonds are certified by SGL Labs, and additionally, certain specific diamonds such as Hearts and Arrows cut diamonds are certified by IGI and GEMEX. Our loose diamond stock is regularly assessed for valuation so as to derive greater transparency to our business. Majority of the gold used as raw material by us is sourced by way of gold metal loan facilities offered by bullion banks. We follow a procurement policy aimed at de-risking the business from gold price fluctuations by sourcing gold for our manufacturing operations under the gold loan facilities offered by banks, including entering into appropriate hedging policies. Under such arrangements, the price of gold purchased under gold metal loan is not fixed on procurement, but rather within the applicable credit period, thereby minimizing any risk to us relating to gold price fluctuations between the time of procuring the raw material and selling the finished product to our customers. We have applied for the TRQ Quota under which the Custom Duty is lower by 1.00%, as provisioned under the CEPA Agreement signed by India and UAE, our gold imports are done through IIBX, Ahmedabad (Gujarat). Our loose diamonds are mostly procured from reputed diamond manufacturers who are listed as sight holders, and the manufacturing of jewellery is carried out either by the skilled Karigars/Karigar entities in West Bengal for hand made products or by organised manufacturers in Mumbai, Maharashtra or in-house at our manufacturing facility at Ankurhati, Howrah, West Bengal. We prefer to work with suppliers who are registered with the Gem and Jewellery Export Promotion Council. We in turn require our vendors to confirm that the diamonds provided to us are compliant with the Kimberley certification as conflict free thereby increasing our business responsibility and sustainability approach as well as compliance with global standards. We undertake wholesale exports of our jewellery primarily to Dubai and Singapore. and our Company as been rated 2-star Export House in Fiscal 2024. As on September 30, 2024, we had 2,688 employees. In addition, we have outsourced security personnel and housekeeping staff.

### Key Performance Indicators<sup>6</sup>

Some of our key performance indicators include:

| Sr No. | KPI                                                          | Six Months period ended September 30 2024 (Unaudited) | Fiscal 2024 (Audited) | Fiscal 2023 (Audited) | Fiscal 2022 (Audited) |
|--------|--------------------------------------------------------------|-------------------------------------------------------|-----------------------|-----------------------|-----------------------|
| 1.     | Revenue from operations ( <i>₹ in million</i> )              | 29,043.76                                             | 52,414.43             | 40,774.04             | 35,346.41             |
| 2.     | Profit after tax for the year/period ( <i>₹ in million</i> ) | 633.94                                                | 1,810.04              | 1,584.79              | 1,291.02              |
| 3.     | Return on Capital Employed (in %)                            | 5.00*                                                 | 12.48%                | 14.22                 | 15.58%                |
| 4.     | Return on Equity (in %)                                      | 4.55*                                                 | 15.70%                | 18.96                 | 19.43                 |
| 5.     | Revenue CAGR (Fiscal 2022 – Fiscal 2024) (in %)              | -                                                     | 21.77                 |                       |                       |
| 6.     | Inventory turnover ratio                                     | 1.09*                                                 | 2.41                  | 2.49                  | 2.91                  |

\*Not annualised

#### Notes:

- (i) *Return on Capital Employed = Earnings before interest and taxes for the year/period divided by capital employed, where capital employed is computed as sum of total equity and borrowings (including accrued interest and gold metal loan) as at the end of the year/period.*
- (ii) *Return on Equity=Profit after tax for the year/period divided by average total equity. Average total equity is calculated as average of opening and closing balance of total equity for the year/period.*
- (iii) *Inventory turnover ratio= Sales divided by Average Inventory; Average Inventory is calculated as the average of opening balance and closing balance for the year/period.*

### Competitive Strengths

We believe that we are well-positioned to capture market opportunities and benefit from the expected growth in the jewellery market in India through our competitive strengths, which principally include the following:

***Largest organised jewellery retail player in the eastern region of India based on number of stores with a legacy of over five decades (Source: CARE Report)***

We are the largest organised jewellery retail player in the eastern and north-eastern regions of India based on number of stores and among eastern India based jewellery retailers, we also have the widest geographical footprint in non-eastern states (*Source: CARE Report*). Our oldest operational showroom is located in the Bowbazar area of Kolkata (a jewellery market hub), where we have been present, through Senco Jewellery Museum (an erstwhile family run proprietary concern), for over five decades. From our roots in Kolkata, West Bengal, we have strategically expanded our presence to 16 states across India and 1 international store in Dubai, United Arab Emirates. As on September 30, 2024, we have 166 Showrooms located across 108 cities and towns in India and one showroom in Dubai, United Arab Emirates.

Our presence across states is as follows:

| State          | Zone       | As at September 30, 2024 | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|----------------|------------|--------------------------|----------------------|----------------------|----------------------|
| West Bengal    | East       | 98                       | 93                   | 85                   | 80                   |
| Uttar Pradesh  | North      | 11                       | 11                   | 11                   | 11                   |
| Delhi          | North      | 8                        | 7                    | 5                    | 5                    |
| Maharashtra    | West       | 7                        | 7                    | 6                    | 5                    |
| Bihar          | East       | 6                        | 5                    | 2                    | 2                    |
| Jharkhand      | East       | 7                        | 7                    | 7                    | 5                    |
| Karnataka      | South      | 3                        | 3                    | 2                    | 2                    |
| Odisha         | East       | 9                        | 9                    | 7                    | 7                    |
| Assam          | East       | 5                        | 5                    | 5                    | 4                    |
| Madhya Pradesh | Central    | 2                        | 2                    | 0                    | 0                    |
| Chhattisgarh   | Central    | 2                        | 2                    | 1                    | 1                    |
| Haryana        | North      | 2                        | 2                    | 3                    | 3                    |
| Telangana      | South      | 2                        | 2                    | 1                    | 1                    |
| Chandigarh     | North      | 2                        | 2                    | 0                    | 0                    |
| Sikkim         | North East | 1                        | 1                    | 0                    | 0                    |
| Tripura        | East       | 1                        | 1                    | 1                    | 1                    |
| <b>Total</b>   |            | <b>166</b>               | <b>159</b>           | <b>136</b>           | <b>127</b>           |

In line with our expansion strategy, while entering new state geographies, we endeavour to register our presence in the state capital or the largest city in the state through Company Operated Showrooms before venturing into tier-II and tier-III locations in such state, primarily through franchisee showrooms in order to leverage logistical efficiency of inventory and return on capital. We believe that this hub and spoke approach has enabled us to successfully implement a franchisee model for our business and become a well-established name for jewellery, particularly in East and North-East India.

We believe our long track-record evokes consumers' trust in our products. To ensure transparency to our customers, we have been BIS hallmarking all gold jewellery, since 2012, prior to the regulatorily mandated hallmarking which started from May 2021. We have also installed gold testing machines (XRF machines) to provide added assurance to customers over the hallmarked gold jewellery sold by us at all our Showrooms and follow stringent and transparent purity checks to ensure quality of our jewellery before being sold to our customers.

We believe that our commitment to quality and transparency has enabled us to position "Senco Gold & Diamonds" as a strong and trusted brand in markets in which we operate in the retail sector. We have been consistently ranked 2<sup>nd</sup> by TRA's Brand Trust Report in the jewellery category for each of the years 2020-2024. We were honored with the "Excellence in Design Innovation in Gold & Design" award at the Jagran Achiever Awards 2023, and the "Best Hedger Award" at the MCX Awards 2024. Additionally, we have received the "Great Place to Work" certification for the second consecutive year. Furthermore, we were recognized as the "Best Jewellery Retailer of the Year" at the IREC Awards 2024.

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. Additionally, we have implemented a loyalty program with approximately 2.50 million customers, as of September 30, 2024.

***Calibrated focus on light, affordable jewellery with the intention to cater to the upwardly mobile and younger generation.***

Our wide range of product offerings caters to diverse customer segments. In India, the surge in demand for gold jewellery can be attributed to the growing middle-class population and their increasing disposable income levels. As more individuals experience higher income levels, they are more capable of affording luxury items like gold jewellery. These growing middle-class views gold jewellery as a status symbol, a reflection of their improved lifestyle, and a worthwhile investment. The trend is especially prominent in urban areas where economic growth has enhanced financial independence and purchasing power (*Source: CARE Report*). Jewellery preferences vary significantly across different age groups, reflecting the evolving interests, lifestyles, and values of Indian women. Every demographic has diverse needs and perspectives, from senior women who value traditional motifs to young brides who choose modern patterns. Furthermore, according to a report by the World Gold Council, recent interactions between Metals Focus and retailers have highlighted a significant increase in demand for lightweight jewellery, especially in the daily wear segment. (*Source: CARE Report*). Further, we have a diverse range of offerings within the category of affordable jewellery, with an active catalogue of more than 164,000 designs for gold jewellery designs and more than 94,000 designs for diamond jewellery, as of September 30, 2024.

In particular, we have developed two specific ranges/ brands to target these demographics. Two of our sub-brands, *Everlite* and *Gossip* are focused on offering affordable, lightweight jewellery to meet the needs of this segment. Our *Everlite* brand of light-weight gold and diamond jewellery is targeted at the upwardly mobile. The products offered under this line are theme based as per different tastes of the customers. As on the date of this Preliminary Placement Document, we have 5 exclusive *Everlite* Showrooms in addition to dedicated *Everlite* counters at most of our Showrooms. Our *Gossip* brand caters to the silver and costume jewellery needs of our younger customers. This fast-moving, fashionable and easy-to-wear jewellery gives our customers freedom to change their jewellery with varying clothes preferences at different occasions. Our *Gossip* brand is made of sterling silver or base metal, studded with semi-precious stones and imitation stones including zirconia and coloured crystals.

We have also started the *D'Signia* branded Showrooms to focus on more premium or higher value jewellery with an Average Transactional Value of ₹ 84, 853 (for Fiscal 2024) to provide a premium shopping experience. Our focus on diamond jewellery sales results in higher profit margins for our products. In Fiscals 2024, 2023 and 2022, and during the six months period ended September 30, 2024, sale of diamond jewellery represented 8.24%, 10.35%, 10.93% and 10.35%, respectively, of our revenue from operations.

In 2019 we have launched the *Aham* collection as a response to the otherwise female dominated market of jewellery for men. While jewellery for women constitutes majority of the jewellery market, large organized retailers also have dedicated jewellery lines for men. (*Source: CARE Report*) The market for online purchase of jewellery has increased at a CAGR of 20.1% between fiscal 2019 and fiscal 2024. (*Source: CARE Report*) Further, CARE estimates that although the share of online in total gems and jewellery sales is currently miniscule (around 4% of the total industry), it is poised for fast growth of 28-33% and is expected to account for 7-8% of the gems and jewellery segment by Fiscal 2025. (*Source: CARE Report*). Our in-showroom experience is complemented by our websites [www.mysencogold.com](http://www.mysencogold.com), [www.mydigisilver.com](http://www.mydigisilver.com), [www.sencogoldanddiamonds.com](http://www.sencogoldanddiamonds.com) and [www.mygossip.in](http://www.mygossip.in) and [www.mydigigold.com](http://www.mydigigold.com). Our dedicated mobile application “MySenco 2.0” also allows customers to review, purchase and receive delivery of jewellery from the comfort of any location. We also have marketing arrangements with leading online marketplaces (*Source: CARE Report*). We have also implemented the virtual 3-D try-on feature on our website enabling customers to easily understand and get closest experience to the in-person feel. Additionally, in order to attract upwardly mobile and younger generation and expand our customer base, we have recently launched Sencoverse, a virtual store. As of September 30, 2024, we were operating four such Sencoverse stores and all the jewellery from our website have been synced into Sencoverse. During the Fiscals 2024, 2023 and 2022, and for the six months period ended September 30, 2024, we incurred expenses of ₹ 1,033.73 million, ₹ 810.36 million, ₹ 505.82 million and ₹ 665.73 million, respectively, on advertising and sales promotion representing 1.97%, 1.99%, 1.43% and 2.29%, respectively of the revenue from operations for the respective periods. We also been recognised for our marketing efforts having been awarded Social Media Campaign of the Year at the 25<sup>th</sup> Retail Jeweller India Awards 2019 and have Gold Seller Status on a prominent online marketplace since June 1, 2021, which has added on to our credibility in front of the newer crowds and technically advanced clientele.

Our focus on design and innovation, our ability to recognize consumer preferences and market trends, the intricacy of our designs and the quality and finish of our products are among our key strengths. We have a wide range and variety of products and have been able to demonstrate our ability to recognise trends in the jewellery industry in order to cater to our customers. In addition, our proximity to a wide range of skilled Karigars/Karigar entities from West Bengal allows us to offer a diverse product range, catering to latest consumer trends. We also offer an exchange and buyback guarantees on old gold exchange along with free insurance on diamond jewellery to our customers.

***Strong ‘Company Operated Showroom’ base complemented by an established asset-light ‘franchise’ model leading to operating leverage.***

We focus on attaining an optimal balance between our operated Showrooms and expanding our asset-light franchisee model. To capitalise on the shift in consumer demand to organised jewellers from the traditionally unorganised, many brands started to expand their presence at a pan-India level. Apart from opening company-operated showrooms, many also adopted the asset-light, franchisee route for expanding their geographical presence. Our showroom count as on September 30, 2024 stood at 100 Company Operated Showrooms and 67 Franchisee Showrooms. Among the eastern India based jewellery retailers, we have the widest geographical footprint in non-eastern states. (Source: CARE Report). The addition of 23 Company Operated Showrooms (net) during the years from Fiscal 2022 till Fiscal 2024 resulted in revenue of ₹ 2,706.31 million at a capital expenditure of ₹ 398.50 million as compared to an increase of 9 Franchisee Showrooms (net) over such period which resulted in revenue of ₹ 1,855.96 million but without any capital expenditure. Accordingly, while our margins from our Franchisee Showrooms are typically lower than the margins at our Company Operated Showrooms, the reduced setup cost of the Franchisee Showrooms, with minimal expenditure along with the transfer of inventory to the franchisee ensures that the ‘franchise’ model continues to promote asset-light growth for us, with almost negligible capital payout towards inventory.

We use a ‘hub and spoke’ approach to enter new geographies and optimize our inventory management, which means that we typically foray into large or new cities by way of our Company Operated Showrooms and then leverage our ‘franchise’ model to expand into tier-II and tier-III locations. Having implemented this model of growth in West Bengal, with our beginnings in Calcutta and subsequent forays into the tier-II and tier-III locations, we have been using it to expand in West Bengal. Such a setup enables us to balance risk and transfer the optimal cost of inventory to our franchisee partners. This operational streamlining increases room for flexibility for both customers and our Company. In our ‘franchise’ model, management know-how is provided by us to the franchisee partner together with the “Senco Gold & Diamonds” brand. Inventory is provided against receipt of funds for a majority of the sales made to our Franchisee Showrooms. At times, due to a spurt in demand owing to seasonal factors or decrease in prices, we may offer short term credit facilities to our Franchisee Showrooms. Even within our ‘franchise’ model, we evaluate both ‘franchisee owned, franchisee operated’ as well as the ‘company owned, franchisee operated’ models, based on the location and market potential of the showroom. Our first franchisee agreement was signed in the year 2000 and since then we have been maintaining a cordial relationship with our franchisee partners, which has resulted in opening of multiple “Senco Gold & Diamonds” showrooms by the same franchisee partner. For further details of our Showrooms, see “– Our Operations – Showrooms” on page 226.

***Established Systems and Procedures to mitigate risk and improve efficiencies***

We have established systems and procedures for various facets of our business and operations including inventory management, order management, human resource management, finance and controls, CRM, data analytics, management processes and risk management. Our operational processes are set forth in an operating manual which has been documented by a global consulting firm.

***Efficient Inventory Management***

Our inventory of jewellery for both our Company Operated Showrooms and our Franchisee Showrooms is bar-coded and monitored and controlled through our ERP. Our inventory for each Showroom is planned at the beginning of each year in terms of amounts and quantity with a determination to achieve the desired sales and inventory turnover after considering factors including market potential and competition. Showroom staff can track the movement of daily sales through reports from software and accordingly place orders for jewellery replenishment. All customised orders, repairs are monitored and tracked through our ERP system. As part of our inventory management, we also rotate jewellery among different showrooms in an effort to increase inventory turnover and make minimal accumulation of slow moving stock at Showroom locations. This process is supported

by data analysis framework and additional reportage on the numbers and it leads to increase in efficiency and accuracy whilst minimising errors thereby making the process efficient. Future inventory forecasts are done with the help of data analysis and forecasting of trends. Our head-office procurement team confirms the order from Showrooms and co-ordinates with our vendors and Karigars/Karigar entities to manufacture the products in accordance with the specific requirements of the showrooms. This helps us keep our inventory up to-date and also provide a solution to the demand supply conundrum with the help of factual evidence.

### *Strong Technology Focus*

We have POS systems at our Showrooms which are integrated with our centralised ERP system. The use of ERP across our showrooms and offices helps us maintain greater control over business operations such as inventory management, showroom management, accounting, logistics management and customer data storage, amongst others. Our CRM module is also system integrated whereby we are able to consolidate customer data and perform business analytics to forecast trends as well as and to manage the customers' journey from enquiry to purchase. We also have backup support for all systems, and our data base is protected by high security protocol. Further, our technology backed institutionalized processes provides end to end control from designing to retailing and our Showrooms operate on a common IT platform, including the billing and inventory management system. Through our websites and mobile application, we are working on an omni-channel 360- degree customer shopping experience, from the comfort of their own homes.

### *Quality Control*

We stringently follow the hallmarking process for all our gold jewellery. Most of our diamonds, comprising jewellery and loose diamonds are certified by SGL, and additionally, certain specific diamonds of our Perfect Love brand such as Hearts & Arrows cut diamonds are certified by IGI and GEMEX. Our loose diamond stock is regularly accessed for valuation to derive greater transparency to our business.

Given that our inventory is produced by third party vendors (Karigars/Karigar entities) who are engaged as contract manufacturers, we have implemented stringent two-stage quality control procedures to ensure standardised quality and purity of the products we sell. Jewellery produced is checked for physical defects, such as structural issues and inconsistencies in polishing and finishing, and is checked for purity with a gold testing machine and hallmarked from third party agencies.

We send all our jewellery to government-approved hallmarking centres who performs tests and analyse our jewellery in accordance with BIS norms. We have voluntarily adopted hallmarking of all our gold jewellery from 2012. New batches of products are also subjected to disassembly into raw materials on a sample basis to ensure they meet our purity and quality standards, including by melting metals to determine their purity. Contract manufacturers who do not meet quality standards are penalised, with a return of products and a requirement to correct any defects. To the extent there is any loss or damage of raw materials, contract manufacturers are liable to compensate us accordingly. Further, the workshops of Karigars/Karigar entities associated with us are subject to periodic audits to ensure compliance with quality and security requirements.

We also have a quality control department consisting of 7 employees as of September 30, 2024. We believe our commitment to stringent quality control has been critical to our success in the Indian jewellery industry and has contributed to customers associating our brand with trust and transparency.

### *Procurement advantage*

Our operations integrate our sourcing, manufacturing, retail and export sales, in order to provide us with several competitive advantages, including the ability to adjust our product range to continuously address shift in customer preferences, just in time inventory availability and changes in demand.

One of our key strengths lies in the meticulous craftsmanship of our Bengali Karigars/Karigar entities. A significant portion of the manufacturing of our jewellery is carried out by over 179 experienced Karigars/Karigar entities in Kolkata, West Bengal and across India, under Karigar Agreements. The Karigars/Karigar entities engaged by our Company are renowned for their exquisite and artistic work in carving and processing of plain gold, studded gold, platinum and diamond jewellery. Our presence in West Bengal allows us to access quality craftsmen, who have been working with our Company for a number of years. We believe that our scale of operations enables us to commit significant volumes of work to Karigars /Karigar entities; which in turn enables them to offer quality finished products to us at competitive prices while allowing us to maintain exclusivity of our

in-house designed jewellery. Additionally, we believe that this ensures that the Karigars/ Karigar entities devote a significant portion of their time towards fulfilling commitments to our Company. We seek to ensure lucrative business economics for the Karigars/ Karigar entities we engage while in turn preserving artisanal techniques, legacy craftsmanship and creativity of the Karigars/ Karigar entities. We have also attempted to support our partners. For instance, during the pandemic, we focused on securing relationships and continuity of our Karigars/ Karigar entities, minimizing order cancellations and deferments and releasing payments for our Karigars/ Karigar entities as early as possible.

These and other initiatives not only provide income to the Karigars/ Karigar entities that we engage with, they also broaden our obtainment base, using a focused approach, and foster loyalty among our Karigars/ Karigar entities.

We strictly follow international standards for the import of gold and diamonds, including the Kimberley Process, and are committed to promoting and practicing ethical sourcing of diamonds and responsible procurement. We believe that this commitment positions us as one of the leader in the jewellery industry. Our gold procurement through gold metal loans, provided by bullion banks, helps mitigate issues related to gold mining and smuggling. Additionally, we have implemented a gold recycling program where we exchange old gold from customers and repurpose it as raw material to create new designs, aligning with the principles of circularity and Environmental Social Governance (ESG) ideals. Our diamonds are mostly procured from diamond traders and sightholders; and the manufacturing of jewellery is carried out either by the skilled Karigars/ Karigar entities in West Bengal for hand made products or by organised manufacturers in Mumbai, Maharashtra, or in house at our manufacturing facility at Ankurhati, Howrah, West Bengal.

#### *Safety, Security and Surveillance Systems*

Safety, security and surveillance of our facilities and locations is a critical part of our business as well as risk management systems. At the end of every day, the entire stock at each of our showrooms is shifted to a secure vault within the showroom. Our factory and procurement departments are managed with our 24\*7 CCTV surveillance. Additionally, our showrooms are equipped with night vision CCTV cameras, burglar alarms, fire management systems and remote sensors. Further, we have entered into agreements with security agencies for providing security services at most of our showrooms, which include gunmen and round the clock security personnel. Regular training and drill sessions are conducted for the security personnel to ensure diligence and agility. All intra and intercity dispatch of inventory is made through secured vehicle of our Company or reputed agencies. A centralised control room checks and monitors multi-location cameras, CCTVs on pan-India basis, 24\*7. Additionally, our jewellers block insurance policy, terrorism insurance policy and cyber security insurance policy helps mitigate the risk of theft, fire or other damage to the inventory, offline or online.

#### *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 management team.***

We believe that we are well guided, and continue to be led by a strong, highly qualified, experienced, and reliable management team. To ensure that we are led by a right mix of professionals from various fields, our corporate setup has been appropriately balanced to include individuals specialising in management as well as other professionals.

Our Individual Promoter and Managing Director and Chief Executive Officer, Suvankar Sen has been involved in the jewellery business in India for more than 18 years and is a fourth-generation entrepreneur, with an established track record and extensive experience in the jewellery industry. Our Individual Promoter is actively involved in our operations and brings to our Company his vision and leadership, which we believe, he has been instrumental in sustaining our business operations. For further details, see “*Board of Directors and Senior Management –Brief Biographies of Directors*” on page 240. Our Chairperson and Whole Time Director, Ranjana Sen has over 30 years of experience in the jewellery industry. Our Whole Time Director, Joita Sen has over 15

years of experience in designing and marketing. We believe that our Board is ably experienced in the jewellery industry which benefits us in our day to day operations. Further, we have benefitted from the guidance of our Founder Chairman, Late Sankar Sen who founded our Company in 1994 in Kolkata, West Bengal.

We also benefit from an experienced management team, including our Chief Financial Officer, Sanjay Banka, our Chief Operating Officer, Sanjay Banerjee and our Chief Human Resource Officer, Subhasri Sengupta and Mukund Chandak, Company Secretary and Compliance Officer.

## **Business Strategies**

The key elements of our business strategy are as follows:

### ***Further expand our presence through a strong and diverse distribution channel.***

Our operating model comprises a mix of physical Showrooms (both Company Operated and Franchisee Showrooms) and digital presence (through our own websites, mobile application and third party marketplaces), with our physical presence consisting of our 100 Company Operated Showrooms and 67 Franchisee Showrooms, as on September 30, 2024. We use a ‘hub and spoke’ approach to enter new geographies; which means that we typically foray into large or new cities by way of our Company Operated Showrooms and then leverage our ‘franchise’ model to further penetrate into the smaller tier-II tier-III and tier-IV locations. We are actively expanding our network of company-operated showrooms with modern formats at new locations across India to strategically enhance our nationwide presence. At the same time, we are focusing on strengthening our footprint in Kolkata and increasing our presence in states with lower visibility, where there is significant growth potential and higher purchasing power. Recently, we have opened showrooms in Uttarakhand, Chandigarh, Lucknow (Uttar Pradesh), and Gurugram (Haryana), and we are continuing to rapidly expand our presence in northern India.

Prior to selection of proposed locations for our new showrooms, whether it is our own or based on the franchisee model, we conduct an analysis on the market in each location. Post such analysis, we determine the store format, layout, inventory, and ownership structure. Our focus is on delivering an exceptional in-store experience and providing excellent after-sales service to boost customer retention and cultivate long-term loyalty. We generally aim to enter jewellery markets where we can potentially gain market share from local jewellers by carving a niche through offering a diverse product mix, designs and price structure and utilizing our brand name and goodwill, which was established over our more than five-decade long history. Feasibility factors include the estimated size of jewellery sales in the targeted market and the sales mix of different products and the potential for growth in each category, market share of potential competitors in the target market and availability of experienced labour and staff.

As part of our expansion strategy and becoming future ready company, we intend to customise our showroom formats based up on location and target segment. In addition to our regular Senco Gold & Diamonds Showroom format we intend to add new and future generation showroom formats including, *D’Signia* Showrooms in areas of comparatively higher affluence and Everlite Showrooms in areas with comparatively lower age median. Sencoverse is where the digital and physical worlds converge, while Sennes caters to fashion-conscious customers in regions with high demand for leather goods and a younger demographic.

In July 2024, we launched a new store format called Senco Karigar Hut in Kolkata. The vision behind this initiative is to provide a platform for Kolkata's artisans, offering them exposure while showcasing the craftsmanship involved in jewellery making. The store features a diverse range of products, including hand-printed T-shirts, Dokra art, and more. In addition, silver and fashion jewellery will be prominently sold. We plan to expand the concept of Senco Karigar Hut across India in the future.

In addition to physical showrooms, we have also adopted a “Phy-gital” model. To ensure that we reach to geographies beyond our physical showrooms, we intend to continue building brand presence in the country through available e-commerce and online channels, including continued and seamless customer experience for online and offline sales through our websites, mobile, chat-bots, our mobile application and the Showrooms. Towards this end, we continuously invest in technology with a view to complementing our physical Showroom presence with our digital presence.

In addition to our business expansion efforts, we have placed a strong emphasis on corporate responsibility. We have established dedicated committees, led by qualified management, to oversee Risk Management and our ESG (Environmental, Social, and Governance) commitments. We advocate for sustainable growth strategies and

integrate sustainable practices into our operations. Furthermore, our BRSR (Business Responsibility and Sustainability Report) forms part of the annual report published annually, enhancing the transparency of our operations. We continue to increase our presence in the digital space through our online platforms as well as through online marketplaces. With the increasing use of the internet in India and the continued development of online channels, we believe that we will be able to expand our customer reach and increase our sales through the digital channel with relatively low investments. In addition, we believe that we can enhance our brand awareness among internet users and cater to a wider customer segment. We have launched our online platforms, [www.sencogoldanddiamonds.com](http://www.sencogoldanddiamonds.com), [www.mygossip.in](http://www.mygossip.in) and [www.mysenco.in](http://www.mysenco.in) and a mobile application, MySenco, through which we offer our jewellery products and gold coins to a diverse range of customers. Further, we have started selling our products on websites of various e-commerce aggregators. Apart from physical brick-and-mortar showrooms, jewellery players have created an online presence via their own website, mobile application, or a tie-up with a marketplace websites. Many prominent jewellers such as Tanishq, Kalyan Jewellers, Joyalukkas, Malabar Gold & Diamonds, PC Jeweller, and Tribhovandas Bhimji Zaveri have started retailing jewellery online (Source: CARE Report)

The map of India below shows the locations of our showrooms as on September 30, 2024:



■ Company Owned Stores

● Franchisee Stores

○ Sennes Stores

*The pins on the map are for representation purposes only and may not depict the precise location or number of our showrooms.*

### **International Operations**

Our Company has opened its first International Showroom in Dubai, United Arab Emirates as a part of our expansion strategy. This store is under B2B as well as B2C model. This store marks the first step of our Company towards global operations and reaching customers all over the world. Dubai as a gateway to the Middle-Eastern market could prove to be an extensively sound and fruit-bearing presence, since the region attaches cultural connotations to Gold and jewellery in General. The Middle Eastern jewellery market dominates exports and has a major market share in the jewellery category, our Company is using its strategic presence in Dubai through this store to leverage the company name and jewellery designs for the global market.

***Focus on increasing the overall operating margins by adapting optimal product mix***

We intend to continue to increase our gross margins by focusing on product categories which yield higher margins. We intend to prioritise diamond jewellery, as diamond studded jewellery typically involves higher gross margins than gold jewellery according to CARE Report. In Fiscals 2022, 2023 and 2024, and during six months period ended and September 30, 2024 sale of diamond represented 8.24%, 10.35%, 10.93%, and 10.35% respectively, of our revenue from operations. We believe that consumer demand for diamond jewellery in India has increased at relatively higher rates compared to the demand for gold jewellery. We aim to further increase diamond jewellery sales as a portion of our overall sales, and thereby attempt to increase our overall profit margins. We intend to increase light-weight diamond jewellery sales through various initiatives such as the introduction of our own branded jewellery lines, development of light-weight products with competitive pricing, increasing our range of diamond jewellery to cater to customer segments such as younger generation and upwardly mobile in India, and simultaneously come up with better advertising and promotional campaigns focused on diamond jewellery. In addition, consistent with our focus on increasing sales of diamond jewellery, our showroom set-up ensures increased visibility for our diamond jewellery, through placement of the respective jewellery by way of separate display counters for our *Everlite* brand and *Perfect Love Diamond Solitaires* collection. In line with this strategy, we also aim to reduce the holding period of our inventory by improving operational efficiency.

***Continue to invest in our marketing and brand building initiatives through hyperlocal strategy.***

Our marketing and promotion efforts seek to increase sales by building brand awareness that stimulates interest in our product range and strengthening our position in the Indian jewellery industry. The key marketing channels that we use on an ongoing basis include customer advertisements with specific coverage in local lifestyle choices and embedded cultures, fashion magazines and events, newspapers, outdoor billboards and signage, online/ digital and television advertisements and below the line marketing activities like in-showroom customer engagement programmes, spreading awareness through leaflets inserts in local newspapers and use of marketing collaterals like posters, banners and tent cards. We also work with various local and national influencers for brand collaboration to increase reach and brand visibility through social media platforms.

During the Fiscals 2024, 2023 and 2022 and for the six months period ended September 30, 2024, we incurred expenses of ₹ 1,033.73 million, ₹ 810.36 million, ₹ 505.82 million and ₹ 665.73 million respectively, on advertising and sales promotion representing 1.97%, 1.99%, 1.43% and 2.29% respectively of the revenue from operations for the respective years. As a part of our marketing initiatives, we regularly tie-up with celebrities as brand ambassadors to promote our brand or specific collections and also sponsor sporting teams and events. Over the years, we have appointed actors Kartik Aryan, Kiara Advani and Vidya Balan as well as Isha Saha (alias Moumita Saha), Sauraseni Mitra, Swastika Dutta and Jaya Ahsan as brand ambassador to enhance our brand presence and market our products. Our tie-ups with various celebrities is based on our view of their appeal to certain specific age groups or localised markets.

We believe that our focus on quality, craftsmanship and original designs, together with our targeted marketing and customer service, has contributed to our strong brand recognition and customer loyalty. We have implemented a loyalty program with approximately 2.50 million total customers, as of September 30, 2024 and have entered into an agreement with a third party service provider for providing among others, financing facilities to customers to purchase high value diamond jewellery through repayment in installments. We also offer one year free insurance on purchase of diamond jewellery above a certain value from our Showrooms. We intend to continue to leverage our existing customer base to encourage customers through referral and loyalty programs.

We believe that our brand has been built on the basis of offering our customers a smooth and delightful overall experience. As part of our overall brand building and customer satisfaction program, we have voluntarily adopted selling of jewellery under BIS Hallmarking norms from 2012, prior to the same being mandatory from May 2021 and providing various authentication certifications for diamond jewellery from SGL (for diamonds) or GEMEX, USA (with respect to brilliance of certain specific diamonds such as Hearts & Arrows cut diamonds).

We have also introduced loyalty programs, wherein benefits are provided to customers basis prior purchases or referrals. In addition to our pricing strategies aimed at providing maximum value to our customers, we also provide warranty for products purchased from our showrooms and easy replacement policies.

Going forward, our strategy is to increasingly market our products to millennial customers through digital media, such as social media websites. 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. 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 customers and to sell our products in a competitive cost-effective manner.

***Focus on catering to the younger generation and the upwardly mobile in India.***

We believe that the branded jewellery market has significant growth opportunities. With an increasing number of working women, exposure to global designs, and a rising number of young consumers who prefer to purchase jewellery for adornment rather than investment, consumer preference is shifting away from traditional bulky jewellery towards lightweight fashion items. Hence, jewellery retailers have started manufacturing lightweight fashion jewellery of contemporary designs, suitable for daily use. Further, in recent years, many young Indians have ventured out of their hometowns for better career opportunities. Rise in migratory population augurs well for the organised jewellers as these consumers mostly do not have strong relationships with local jewellers and are typically more inclined towards organised stores that offer contemporary designs (Source: CARE Report). Having set up our *Everlite*, *Sennes* and *Gossip* brands and our *Perfect Love Diamond Solitaires* and *Aham* collections, we aim to cater to the younger generation and the upwardly mobile in India by building brands with a lower product price. We aim to have dedicated *Everlite* counters at each of our showrooms and also have exclusive *Everlite* branded showrooms at specific locations. Similarly, our *Gossip* brand of costume and silver jewellery also merits separate counters within our showrooms. The designs created under these collections are targeted at casual and formal attire. These brands help us cater the demand from younger customers, who as per CARE desire to wear gold jewellery that suits their Western-style clothing, manufacturers are increasingly concentrating on manufacturing lightweight ornaments. This trend has resulted in the rise of minimalist designs, which have basic shapes and clean lines and are frequently made with less gold. Millennial demand, rising internet usage, and increasing smartphone penetration have contributed to the recent rapid rise of the Indian online jewellery business focused primarily on daily and fashion wear jewellery. (Source: CARE Report) We believe that our presence in shopping malls will help us cater to the younger generation and the upwardly mobile India. The launch of our new Store-In-Store model for the *Gossip* brand at Shopper's Stop in Kolkata aligns with this same vision. Further, through *Everlite*, *Sennes* and *Gossip*, we intend to continue to build-up our digital presence by developing websites, mobile applications and cataloguing products, in line with our strategy on catering to younger generations. We also intend to continue to focus on our handcrafted affordable gold and diamond jewellery wedding collection under the *Vivaha* collection, as this too is specifically targeted at the younger generation and upwardly mobile in India, particularly the working-age population as they reach and mature into the eligible marriage age. We have also launched the *Aham* collection designed especially for the cosmopolitan man and can be used as part of daily wear as well as in social occasions. Further, we have also launched an online platform for the purchase of gold, [www.mydigigold.com](http://www.mydigigold.com), through which customers can accumulate gold in a physical third party locker and to subsequently sell the same online or redeem the gold in the form of jewellery at any of our Showrooms. We also have jewellery purchase schemes with installments ranging from 6 months up to 11 months. Additionally, to cater to the changing needs of consumers, specially of the young generation, company may look at exploring complementary products to jewellery in the business of luxury and lifestyle such as perfumes and bags through *Sennes* which has a diverse range of leather products as well.

***Leverage technology to enhance operational efficiency, customer experience and delight.***

We aim to continue to increase our presence in the digital space through our online platforms as well as through online marketplaces. As per CARE, although the share of online in total gems and jewellery sales is currently miniscule, is expected to account for 7-8% of the gems and jewellery segment by fiscal 2025. Additionally With the increasing use of the internet in India and the continued development of online channels, we believe that we will be able to expand our customer reach and increase our sales through the digital channel with relatively low investments. In addition, we believe that we can enhance our brand awareness among internet users and cater to a wider customer segment. We have launched our online platforms, [www.sencogoldanddiamonds.com](http://www.sencogoldanddiamonds.com) and [www.mygossip.in](http://www.mygossip.in) and a mobile application, *MySenco 2.0*, through which we offer our jewellery products and gold coins to a diverse range of customers. Further, we have started selling our products on websites of various e-commerce aggregators. Our websites [www.mygossip.in](http://www.mygossip.in) for *Gossip* products, [www.mydigigold.com](http://www.mydigigold.com) for digital purchase of gold, [www.mydigisilver.com](http://www.mydigisilver.com) for digital purchase of silver and our customer portal, [www.mysenco.in](http://www.mysenco.in) for the status update of orders are amongst our other initiatives to engage with customers across multiple channels across age groups, especially the younger generation. The launch of *Sencoverse* based on the concept of metaverse is another effort to reach a similar audience. With four stores launched as an extension of the *Everlite* brand, *Sencoverse* enables Senco to expand its virtual presence, offering a modernized user interface and UI/UX features that distinguish it from competitors. This helps us extend our reach to geographies beyond where we have

Company Operated Showrooms and Franchisee Showrooms and transcend into the intangible realms of retail. Our strategy is to increase our business through the digital platform and leverage our manufacturing capability on creation of an asset light sales channel thereby offering a seamless combination of both offline and online buying choice for customers.

Our manufacturing facility located at Ankurhati, Howrah, West Bengal operated by our Subsidiary- Senco Gold Artisanhip Private Limited allows us to drive agile manufacturing processes using modern technologies such as 3-D printing, CAD driven designing and laser cutting. The mechanisation of a part of our manufacturing processes allows us to supply products to consumers after taking orders online or offline, thereby reducing delivery timelines and ensuring uniform quality across certain specified product types or categories.

Further, we plan to leverage our existing technological developments to enhance our operational efficiency by:

- continuing to use an analytics based program for forecasting, planning and efficiency.
- periodic re-shuffling of stock inter and intra state for enhancing inventory turnover and capital productivity.
- offering a seamless digital customer experience, through adoption of Augmented Reality technology through Magic Mirror and Virtual Try on Ornaments, online advance payment options for customers and providing a digital platform to customers for the purchase, redemption and sale of the gold through the DG Gold and DG Silver platforms at <https://mydigigold.com> and <https://mydigisilver.com/>, respectively.
- utilizing the CRM (customer-relationship-management) platform tools and data from our vendor for full usage of customer data and thus leverage technology through targeted marketing by understanding specific preferences of target customers and communicating relevant marketing content to specific section of target customers.

## Our Operations

### Showrooms

We operate through our Company Operated Showrooms and Franchisee Showrooms. Our Showrooms are typically located in high-visibility, high-street areas, and stocked with our wide variety of jewellery products which allow us to target a broad consumer base across genders, socio-economic status levels and age groups. Products in our showrooms offer a combination of regional designs customised to local tastes and preferences, as well as more broadly appealing jewellery, offering customers access to a wide variety of products that may be difficult for local jewellers to replicate.

As on September 30, 2024, we have 100 Company Operated Showrooms and 67 Franchisee Showrooms. Our Showrooms have grown as follows:

| Total Showrooms    |          | Opening | Addition | Closed/Converted | Closing |
|--------------------|----------|---------|----------|------------------|---------|
| September 30, 2024 | Senco    | 140     | 5        | -                | 145     |
|                    | Everlite | 3       | 2        | -                | 5       |
|                    | D'Signia | 13      | -        | -                | 13      |
|                    | Sennes   | 3       | 1        | -                | 4       |
| Fiscal 2024        | Senco    | 126     | 17       | 3                | 140     |
|                    | Everlite | 2       | 1        | -                | 3       |
|                    | D'Signia | 8       | 5        | -                | 13      |
|                    | Sennes   | -       | 3        | -                | 3       |
| Fiscal 2023        | Senco    | 117     | 11       | 2                | 126     |
|                    | Everlite | 2       | -        | -                | 2       |
|                    | D'Signia | 8       | -        | -                | 8       |
| Fiscal 2022        | Senco    | 106     | 13       | 2                | 117     |
|                    | Everlite | 1       | 1        | -                | 2       |
|                    | D'Signia | 5       | 3        | -                | 8       |

| Company operated showrooms (COCO) |          | Opening | Addition | Closed/Converted | Closing |
|-----------------------------------|----------|---------|----------|------------------|---------|
| September 30, 2024                | Senco    | 74      | 4        | -                | 78      |
|                                   | Everlite | 3       | 2        | -                | 5       |
|                                   | D'Signia | 13      | -        | -                | 13      |
|                                   | Sennes   | 3       | 1        | -                | 4       |
| Fiscal 2024                       | Senco    | 65      | 11       | 2                | 74      |
|                                   | Everlite | 2       | 1        | -                | 3       |
|                                   | D'Signia | 8       | 5        | -                | 13      |
|                                   | Sennes   | -       | 3        | -                | 3       |
| Fiscal 2023                       | Senco    | 60      | 5        | -                | 65      |
|                                   | Everlite | 2       | -        | -                | 2       |
|                                   | D'Signia | 8       | -        | -                | 8       |
| Fiscal 2022                       | Senco    | 54      | 6        | -                | 60      |
|                                   | Everlite | 1       | 1        | -                | 2       |
|                                   | D'Signia | 5       | 3        | -                | 8       |

| Franchisee owned showrooms (FOFO & FOCO) |          | Opening | Addition | Closed/Converted | Closing |
|------------------------------------------|----------|---------|----------|------------------|---------|
| September 30, 2024                       | Senco    | 66      | 2        | 1                | 67      |
|                                          | Everlite | -       | -        | -                | -       |
|                                          | D'Signia | -       | -        | -                | -       |
|                                          | Sennes   | -       | -        | -                | -       |
| Fiscal 2024                              | Senco    | 61      | 6        | 1                | 66      |
|                                          | Everlite | -       | -        | -                | -       |
|                                          | D'Signia | -       | -        | -                | -       |
|                                          | Sennes   | -       | -        | -                | -       |
| Fiscal 2023                              | Senco    | 57      | 6        | 2                | 61      |
|                                          | Everlite | -       | -        | -                | -       |
|                                          | D'Signia | -       | -        | -                | -       |
| Fiscal 2022                              | Senco    | 52      | 7        | 2                | 57      |
|                                          | Everlite | -       | -        | -                | -       |
|                                          | D'Signia | -       | -        | -                | -       |

#### Company Operated Showrooms

The table below sets out the number of Company Operated Showrooms for the respective Fiscals indicated therein:

| Particulars                                      | Fiscal 2022 | Fiscal 2023 | Fiscal 2024 | As on September 30, 2024 |
|--------------------------------------------------|-------------|-------------|-------------|--------------------------|
| Number of showrooms at the beginning of the year | 60          | 70          | 75          | 93                       |
| Number of showrooms added during the year        | 10          | 5           | 18          | 7                        |
| Number of showrooms closed during the year       | -           | -           | -           | -                        |
| Number of showrooms at the end of the years      | 70          | 75          | 93          | 100                      |

### Franchisee Showrooms

We enter into Franchisee Agreements with our franchisee partners, post which Franchisee Showrooms are allowed to commence operation. A brief description of the franchisee agreements entered into between us and each of our franchisee partners is set out below:

Our Company, in its ordinary course of business, enters into franchisee agreements with various third parties, for the retail sale of our jewellery products. As on September 30, 2024, we have 67 Franchisee showrooms which includes showroom operated by franchisee partners (“**FOFO**”), and Showrooms operated by our Company (“**FOCO**”). Our franchisees are also required to meet purchase targets as agreed with our Company. Our franchisees are also required to make advance payments for the procurement of stock except during seasonal spurts or localized spurts of demand. Typically, under our FOFO agreements, the franchisees are given the right to operate showrooms and to use our Company’s trademarks for an initial period of five years and renewable for additional terms of five years. Under the FOCO agreements, the term of the agreement is same five years, consisting of a minimum lock-in of three years from the dates of execution of the agreements and renewable for further term of five years. Under our FOCO agreements, our Company deploys personnel at the showrooms including the showroom manager as opposed to that under a FOFO agreement where they are appointed by the franchisee. In addition under FOCO agreement, our Company also bears the burden of offers and discount. Hence, the gross margin of the Franchisee is usually less the FOFO. Our obligations under the agreements usually include, amongst others, supplying jewellery at the prevailing market rate in a timely manner and conducting marketing and advertising campaign to increase consumer awareness. Under the agreements, the franchisees are required to, amongst others, maintain insurance for risks, obtain licenses and comply with applicable laws and maintain sufficient inventories. Further, our franchisees are required to pay a fixed amount as signing fees and a further amount as a security deposit. We offer attractive schemes to our customers which includes, having a customer buy back or exchange policy which the franchisees need to follow in the event of customer returning the products for exchange or for cash back. We also have a return and exchange policy as per which the franchisee can exchange or return products to our Company within 120 days of the invoice whereby, the franchisee is given full credit of amount paid (inclusive of making charge and GST) by adjusting the same against next purchase. However, in case of return beyond 120 days the same is treated as Old Gold, whereby making charge paid and GST is borne by the franchisee. The franchisees are required to abide with our Company’s margin policy for its overall margins and pricing of the products, but the resale price of products is at the discretion of our Company. Credit is extended to our franchisee partner on a case-to-case basis based on the potential of the market, financial capability of franchisee partner and seasonal demand for the particular showroom.

In addition, our Franchisee also collect payment from the customer towards Jewellery Purchases scheme against a very nominal fee and also redeems the same at their stores which is subsequently reimbursed from our Company. We also arrange EDFs Facility from Bankers to enable franchisee to avail working capital facility.

We recently launched the BAM (Business Associate Model), where the business associate is required to have a comprehensive understanding of the business processes, including operations, strategy, and networking. Any inefficiency in these areas will directly impact store sales and, consequently, our overall profitability. The business associate invests in store capital expenditure (CAPEX), IT, and interior setup. They also make a refundable security deposit for a portion of the inventory and a signing fee. In return, the company pays the franchisee 1-5% of the net sales value, depending on the type of jewellery, as BAM fees, effectively on a profit-sharing basis. The BAM model has been implemented in COCO-B model stores in Chandigarh, Bhopal, Alipurduar, and Belghoria. The model is typically offered to landlords who have a solid understanding of the local market.

The table below sets out the number of franchisee owned and operated and franchisee owned and company operated Showrooms for the respective Fiscals indicated therein:

| Particulars                                             | As on<br>September 30,<br>2024 | Fiscal 2024 | Fiscal 2023 | Fiscal 2022 |
|---------------------------------------------------------|--------------------------------|-------------|-------------|-------------|
| Number of showrooms at the beginning of the year/period | 66                             | 61          | 57          | 52          |
| Number of showrooms added during the year/period        | 2                              | 6           | 6           | 7           |

| Particulars                                                 | As on<br>September 30,<br>2024 | Fiscal 2024 | Fiscal 2023 | Fiscal 2022 |
|-------------------------------------------------------------|--------------------------------|-------------|-------------|-------------|
| Number of showrooms closed/converted during the year/period | 1                              | 1           | 2           | 2           |
| Number of showrooms at the end of the year/period           | 67                             | 66          | 61          | 57          |

### Products

We primarily sell gold, diamonds including lab grown diamonds, studded gold jewellery, jewellery made of silver, and platinum, gold as well as silver coins. We also sell other products like costume jewellery and utensils made of silver. In these categories, we offer wedding jewellery, festival jewellery, daily wear jewellery, men's jewellery, kid's jewellery and jewellery for personal occasions. We offer a wide variety of jewellery options, including necklaces, bangles, rings, earrings, pendants, bracelets, mangtika, mangalsutra and chains. In addition to jewellery, we also retail a variety of other products, including leather goods, bags and wallets.

Our products represent designs from a wide range of cultures ranging from traditional Indian design to Indo-Western and Western designs. Our products also showcase specialised design elements from Kolkata. We offer our products at a wide range of price points which allows us to cater to different socio-economic classes across varied markets making our retail process more inclusive. The Karigars/ Karigar entities in particular that are engaged by us, are known for their intricate *filigree* work in which they specialize in making designs using thin gold wires and small beads. These Karigars/ Karigar entities of Kolkata are also known for their *nakashi* style of designing that involves etching and carving in gold.

Some of our brands and collections include:

|                                      |                       |                                              |                          |                                    |
|--------------------------------------|-----------------------|----------------------------------------------|--------------------------|------------------------------------|
| everlite™                            | shakti<br><i>edit</i> | lotus<br><i>collection</i>                   | Aparupa                  | Rajwada<br>VIVAHA COLLECTION       |
| GOSSIP<br>SILVER & FASHION JEWELLERY | Siyaram<br>COLLECTION | Pyaar ka<br>Gathbandhan<br>VIVAHA COLLECTION | Terracotta<br>COLLECTION | Ribbon<br>Collection               |
| AHAM<br>MEN'S JEWELLERY              | Padaboli              | everlite™<br>Signature<br>COLLECTION         | Miranda™                 | ADAAH                              |
| PERFECT<br>LOVE<br>DIAMONDS          | SPECTRA<br>COLLECTION | SUTRA<br>FIND YOURSELF                       | ARIANA                   | IDO<br><i>promise of a forever</i> |

Everlite:

Everlite is crafted for the modern Indian women. The inspiration for our lightweight collection comes from the various aspects of life that the working women spouse. The products offered with various collections named Denim, Venus, Nature, Tribe, Magnificence and Floral. The concept of wearing jewellery daily is to complement, rather than overpower, everyday activities, creating a balanced and subtle look. This daily jewellery usage is inspired by nature or geometric shapes, symbolizing a sense of symmetry in life.

#### *Gossip:*

Our 'Gossip' brand is made of sterling silver or base metal with precious and semi-precious stones, including zirconia, to cater to the silver jewellery needs of our customers, we have launched our 'Gossip' brand for fast-moving, fashionable and easy-to-wear jewellery. This gives our customers freedom to change their jewellery with varying clothes preferences at different occasions. It also caters to the idea of fast-fashion, and keeps our designs competitive with the highly transient trend patterns in the fashion industry.

#### *Aham:*

Aham has been designed especially for the cosmopolitan man and can be used as part of daily wear as well as in social occasions. This brand is designed to challenge the predominantly female-driven jewellery market, aiming to break stereotypes and target a segment that is often overlooked by most players. To cater to the needs of our male customers, we have launched the Aham which offers a collection of rings, bracelets, cufflinks, ear-studs, chains and pendants in diamond, platinum, gold and silver.

#### *The Vivaha Collection*

The Vivaha Collection (marketed under the Senco-Di-wedding campaign) has a wide of range of jewellery for wedding in the family, including the bride, the groom and their respective the families. Our Vivaha collection includes intricate and exquisitely detailed designs in gold and diamonds. This collection offers an exclusive range of Filigree, Temple, Antique, Polki, Kundan and unique diamond collection. The product offerings include waistband, rings, Jhoomar, Nath, Haathphol, Maangtika, Necklace Set, Armband, Nose Pin, Hair Accessory, Bangles, Toe rings, Anklets, Sankha & Pola (Bangle), Kharu, and Long Chain

#### *Perfect Love Diamond Solitaires*

This collection offers exquisite range of solitaire earrings, rings, pendants, nose pins and single diamond studs. All our diamonds, comprising jewellery and loose diamonds are certified by SGL, and additionally, certain specific diamonds such as Hearts & Arrows cut diamonds are certified by GEMEX for brilliance. The Perfect Love collection is based on perfectly-cut Hearts & Arrows cut diamonds. It's colour, clarity, carat and cut ensure that it exudes maximum brilliance and exhibits a perfect symmetry of eight arrows.

Some of our schemes and digital offerings are below:

#### *Jewellery purchase schemes*

We offer a secure and convenient way to buy jewellery, gradually through periodic installment under our jewellery purchase schemes. We provide two types of jewellery purchase schemes, *Swarna Labh* for installments of six months, *Swarna Yojana* for installments of 11 months The minimum enrolment amount is ₹ 1,000 and installments are in multiple of ₹ 1,000 thereafter. Customers can redeem the value at the end of the scheme period at our Showrooms for jewellery with discounts. The jewellery purchase schemes are also available online through our website and through our mobile application.

Mari Gold is a purchasing scheme applicable to all jewellery and fashion accessories, with the exception of gold coins, silver coins, bars, and loose diamonds. The scheme offers two plans: Fixed and Flexi, both available for durations ranging from 6 to 9 months. This allows customers to accumulate funds over time and purchase jewellery upon maturity. In the Fixed Plan, the initial payment is a minimum of INR 10,000, followed by payments in multiples of INR 5,000. Upon redemption, customers receive additional discounts on the making charges of the accumulated gold. The Flexi Plan requires an initial payment of INR 1,00,000, with subsequent payments in multiples of INR 10,000.

#### *Digi Gold*

We have introduced DiGi Gold through which we provide customers a digital platform for the purchase, redemption and sale of the gold through our website, [www.mydigigold.com](http://www.mydigigold.com).

Through DG Gold, customers can purchase a minimum quantity of 50 mg of gold or gold of equivalent value. The purchased gold is 24 carat of 99.5% purity. As the purchased gold is not delivered immediately, we have entered into a contract with Sequel Logistics Private Limited for provision of locker services, wherein an equivalent amount of physical gold corresponding to the customer purchased gold is deposited. The digitally purchased gold can either be redeemed at our Showrooms in the form of jewellery or may be sold online (through DG Gold) by the customer.

#### *DiGi Silver*

We have launched DG Silver Platform through which we provide customers a digital platform for the purchase, redemption and sale of the silver through our website, [www.mydigisilver.com](http://www.mydigisilver.com). Through DG Silver, customers can purchase a minimum quantity of 5 gm of silver or silver of equivalent value. The purchased silver 99.9% purity. The digitally purchased silver can either be redeemed at our showrooms in the form of jewellery or may be sold online (through DG Silver) by the customer.

#### ***Jewellery Design***

We have a dedicated design team, comprising 14 designers as on September 30, 2024. All of our designers are focused on developing new designs that meet customers' requirements. We also customize jewellery for individual needs and localized preferences, drawing inspiration from the cultures of the specific geographic markets we cater to.

We believe that the Indian jewellery consumers are also becoming increasingly brand conscious and developing greater sophistication in their jewellery preferences. Given this trend, we are continuing to explore opportunities to expand our range of designs and product catalogue to provide our customers the bandwidth to choose their favourite products. We intend to build further on this portfolio of branded jewellery, in order to widen our appeal across larger cross sections of our target market.

#### ***Sen'nes***

We are diversifying our product offerings and expanding into bags and perfumes. By venturing into this sector, we can diverse customer base that spans across different demographics and geographies. We believe by extending our product portfolio to include bags and perfumes we can leverage our existing strengths and understand to the evolving needs of our customers.

We are presently operating 4 Exclusive Sennes Stores at Mani Square, Forum Mall, City Centre 2, Calcutta Airport and 2 Multi-Brand Outlets in Lajpat Nagar (New Delhi) and Chandigarh along with 29 Store-in-Store presence. Sennes Business as above will be transferred to Sennes Fashions Ltd, a wholly owned subsidiary which has been Incorporated on September 7, 2024.

#### ***Manufacturing of Products***

##### *Outsourced Manufactured Products*

The manufacturing of our jewellery is carried out by over 179 skilled Karigars/ Karigar entities (including small and large entities, which employees staff for Jobworking) in and around Kolkata, West Bengal at their workshop and across India under Karigar Agreements. These Karigars/ Karigar entities devote a significant portion of their time towards fulfilling commitments to our Company. We pay making charges and supply raw gold and diamonds to Karigars/ Karigar entities who manufacture gold and diamond jewellery based on either our designs or to designs approved by us. Working with local Karigars/ Karigar entities enables us to create sustainability in manufacturing, have a social impact on the local economy through training and enabling Karigars/ Karigar entities with processes and technology to assist them in upgrading their offering and skills while encouraging a new generation of Karigars/ Karigar entities to join the industry.

A brief description of the Karigar Agreements entered into between us and each of the Karigars/ Karigar entities that we work with is set out below:

Karigar Agreements are entered into with local, experienced, craftsmen (generally termed Karigars/ Karigar *entities*) for manufacturing, carving and processing of jewellery/ornaments from, amongst others, gold, platinum, diamond, silverware, other precious and semi-precious stones and metals and any other related alloys that may be required by a Karigars/ Karigar *entities* for jewellery making purpose. The craftsmen use their expertise to process the raw material into attractive Jewellery as per our specifications. The rates of making-charge and wastage are fixed by our Company on a case to case basis for the Karigars/ Karigar *entities* and payments are typically made to such Karigars/ Karigar *entities* by our Company within 30 days of the date of invoice. The Karigars/ Karigar *entities* are typically required to supply products within 10 to 12 days from the date of receipt of order for plain jewellery and within 12 to 20 days from the date of receipt of order for studded jewellery. Additionally, the Karigars/ Karigar *entities* may keep security either in the form of gold/bullion in any form and/or interest free refundable security in any other form and the quantum of such security shall be mutually agreed between the Karigar and our Company. The tenor of the agreements usually varies up to two years and are renewable at the option of our Company on such terms and conditions as may be mutually agreed between the parties.

#### *In-house manufacturing*

As on the date of this Preliminary Placement Document, we have a manufacturing facility located at the Gems and Jewellery Park, Ankurhati in Howrah, West Bengal. It produces diamond jewellery and light weight gold jewellery as per orders from our Showrooms and online platforms. This facility also produces jewellery using modern technologies such as 3-D printing, CAD driven designing and laser cutting. We have recently launched a new factory in Bowbazar, Kolkata pointing directly towards our idea of expanding scale of production.

#### *Manufacturing process*

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/ Karigar *entities* who manufacture gold jewellery to either our designs or to designs approved by us. The manufacturing of our jewellery is carried out by over 179 experienced Karigars/ Karigar *entities* in Kolkata, West Bengal at their workshop under Karigar Agreements. The facilities and workshops of the Karigar/ Karigar *entities* are subject to inspection and periodic audits.

#### ***Procurement of Materials***

Raw materials, which we use for our manufacturing purposes, include gold, silver, platinum, alternate metals, diamonds and precious/ semi-precious stones like rubies, emeralds and sapphires. We purchase gold bars from authorised bullion dealers and banks. We endeavour to buy the same quantity of gold during a period to match the amount of gold we sell during that period. This reduces our exposure to the volatility in the price of gold. We also procure old gold from our customers to encourage repeat business and offer an opportunity for customers to acquire new jewellery of latest designs without having to invest again in gold. We also import gold through IIBX, Ahmedabad, Gujarat.

Our diamonds are mostly procured from diamond traders and sight holders; and the manufacturing is carried out either by the skilled Karigars/ Karigar *entities* in West Bengal for hand made products or by organised manufacturers in Mumbai, Maharashtra or in house at our manufacturing facility at Ankurhati, Howrah. We also procure diamond and platinum jewellery from organised jewellery manufacturers of Mumbai and Surat.

#### ***Regional Procurement Centre***

We have a Regional Procurement Centre in Delhi with an objective to streamline procurement processes, optimize supply chain efficiency, and enhance vendor relationships. Since October 2022, the centre has excelled in setting new benchmarks in operational efficiency and cost optimization.

From sourcing high-quality materials to maintaining robust relationships with trusted suppliers, the RPC has played a pivotal role in ensuring seamless operations. By de-centralizing procurement, we have significantly improved turnaround times, enhanced inventory management, and reduced costs (logistics cost) while maintaining the highest standards of quality. This development has helped us in collaboration, growth, reaffirming our commitment to excellence and with innovation in procurement.

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

We have an efficient inventory management system. Each and every piece of our jewellery at all locations are bar-coded, monitored and controlled manually as well as through our ERP. At the beginning of a financial year optimum showroom stock review is undertaken by our sales department and based upon the historical performance and stock turnover, the revised optimum stock level plan is shared with the production department, upon which the same is executed. As part of our inventory management, we also rotate jewellery between different showrooms in an effort to increase inventory turnover and avoid accumulation of slow moving stock at certain Showrooms. We also have end to end visibility and control of all inventory items once tagged by the sales team.

Our logistics team comprises 21 employees as on September 30, 2024. Before dispatch of any jewellery, at least five members of our logistics team must check the products to be sent against the appropriate transfer documentation. Once the product is ready for transport, it is picked up and delivered by a logistics service provider or in our in-house secured vehicle. All our movement of goods are insured under Jeweller's block insurance policy.

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

We have a well-defined corporate strategy, mid-term 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. We start the budget preparation process by reviewing our past sales performance, competitors' activities, customer reactions to prior marketing campaigns and product category performances and estimated demand. We then analyse the data in order to draw conclusions on our performance, and then we work out our sales objectives at a Showroom level for the next financial year with a focus on same showroom sales growth by increasing footfalls, increasing footfall conversion and increasing Average Ticket Size.

### ***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.

### ***Sales and Marketing***

#### ***Sales***

We sell our products, through our Company Operated Showrooms and Franchisee Showrooms, in the trade name of "Senco Gold & Diamonds". A majority of our showrooms are located in the East and North-East of India.

We ensure that our showrooms follow a standard operating procedure, which focuses on imparting high standard of ambience focused on increasing footfalls and customer retention. Our training programmes are designed to increase the efficiency of our sales teams and to increase conversion ratios and ticket sizes. We engage in sales through our physical and digital stores, alongside of our digital sales routes that include our websites and app.

We track our sales on a daily basis using ERP to manage our business functions within a centralized and integrated system. ERP is used by us to help keep track of all the moving parts of manufacturing and distribution. We also sell our products through our online platforms adopting a phy-gital approach.

#### ***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 Tritiya' or new years of various states such as West Bengal, Odisha and Maharashtra to promote sales. We also have offers on our jewellery during local and regional festivals such as 'Rath Yatra', 'Ganesh Chaturthi', 'Polia Baisakh', 'Teej', 'Bihu' and 'Durga Puja', amongst others. In addition to these local and regional festivals, offers and new collections are launched around occasions such as Valentine's day, mother's day, father's day and

women's day, amongst others. Marketing efforts such as discounts, gifts and lucky draws are offered during such festive periods. We also endeavour to build marketing campaigns around the wedding season in India.

Additionally, we focus on sales of light-weight jewellery through our brand, Everlite. We launch new designs and collections of light-weight jewellery ranging from rings to earrings, pendants and chains. We have also introduced our brand Gossip for catering to the silver jewellery demand from our younger customers.

As a part of our marketing initiatives, we regularly tie-up with celebrities as brand ambassadors to promote our brand or specific collections and also sponsor sporting teams and events. We have appointed actors Kartik Aryan, Kiara Advani and Vidya Balan as well as Ishaa Saha (alias Moumita Saha), Sauraseni Mitra, Swastika Dutta and Jaya Ahsan. We have, in the past, also entered into agreements with movies for marketing of our products both regionally and nationally.

Further, we facilitate a loyalty membership program which has been running for last six years. Presently, our loyalty program reaches approx. 2.50 million active customers, as of September 30, 2024, through which our customers can earn benefits on repeated purchases or referrals, and have entered into an agreement with a third party service provider for providing among others, financing facilities to customers to purchase high value diamond jewellery through repayment in installments. Customers are also offered bespoke design, customization, and exchange of old gold jewellery by computer testing.

We also have astrologer consultation services from expert astrologers at our Showrooms as well as through virtual means, which helps in creating additional footfall.

### ***Customer Service***

We are focused on building our business through customer-centric operations. A guiding principle of our Company has always been to understand customer requirements, learn the customer trends, and give the customers exactly what they want.

In order to deliver strong customer service, our sales teams have been trained to educate the customer as to the details of their potential jewellery purchase. We believe this allows the customer to make an informed choice they will be satisfied with. We also cater to any customer's desire for personalized jewellery and have employed designers to create designs to meet customers' personal specifications. We have a dedicated team for customer care that have a central reporting system for all complains/ feedbacks of customers either through helpline or social media, emails. Further, customers can also track orders and contact our representatives through our dedicated customer portal, [www.mysenco.in](http://www.mysenco.in) or through our mobile application, MySenco. Our CRM also enables us to capture and monitor customer feedbacks.

### ***Security***

To minimize theft, we have instituted stringent controls and mechanisms to monitor the movement of the jewellery within the Showroom as well as during external transportation. Our operation manuals direct the staff to keep strict tallies of the stock at the daily opening and closing of each Showroom, and to account for the stock while it is moving from one place to another place within the Showroom. We have installed closed circuit television cameras in our Showrooms to monitor customers and staff during working hours. We also have installed night vision cameras both inside and outside our Showrooms for added security while the Showrooms are closed. While a Showroom is closed, all jewellery is stored in a Showroom vault. We have also installed smoke detectors and panic alarms in each Showroom.

We have hired external security agencies that provide around the clock security guards for most of our showrooms. We have monitoring systems to ensure the security personnel are on duty at all times. We practice scanning of all staff with metal detectors by security personnel for each movement during entry and exit.

### ***Information Technology***

We have implemented an ERP solution, which allows for virtual connectivity across all our showrooms and offices, allowing our management team to obtain information for quicker decision making. We have analytics with BI based reporting integrated with our ERP through which we have user specific reporting system, in turn enabling us to take data/fact driven decisions.

We have implemented cloud-based systems to ensure reliable backup support for all operations, with our database secured by advanced security protocols. Our technology-driven, institutionalized processes offer complete control from design to retail, with all our showrooms operating on a unified IT platform, including billing and inventory management. Our servers and database are backed up daily after business hours, enabling us to consolidate workloads, optimize server usage, and reduce operational costs. Additionally, we have installed CISCO Meraki across our branches and Head Office, which helps minimize manual interventions, boost productivity, and foster innovation by providing seamless connectivity to the Internet Cloud and corporate networks at our Head Office. It also protects us from spoofing and efficiently manages traffic, supporting smooth client management, monitoring, and offering visibility across all branches, the Head Office, and client systems through a single interface. We have also adopted technology towards seamless customer experience and in this regard we have implemented customer-relationship-management solution software and a customer portal ([www.mysenco.in](http://www.mysenco.in)) where our customers can view their purchase details and all communications in real time. This has helped our customers to stay updated with the latest order status, designs etc. We have integrated a CRM module whereby we are able to address the customers' needs, resolve grievances and provide feedback. It has a robust Case Acknowledgement and Resolution mechanism to notify customers through various accessible channels including WhatsApp, E-mail and SMS.

We have also created a mobile application "My Senco App" which is available to our customers to browse, select, purchase, track purchases and interact with customer care. We have adopted the use of social media and e-commerce platforms to increase reach and brand visibility.

We are also adopting augmented reality through Magic Mirror and virtual try on of ornaments for better customer care along with providing e-catalogues which provides a seamless experience across showrooms and the online platforms.

### **Properties**

Our Company holds several properties on lease hold basis, including our manufacturing facility and retail showrooms. The property on which our Registered and Corporate Office is situated is owned by us.

As on the date of this Preliminary Placement Document, we have a manufacturing facility located at the Gems and Jewellery Park, Ankurhati in Howrah and Bowbazar in West Bengal. Further, pursuant to the merger of Senco Gold Impex Private Limited with our Company, we acquired the SEZ Unit situated at Manikanchan, Salt Lake, Kolkata, West Bengal.

### **Insurance**

We have taken insurance to cover different risks including jeweller's block policy, fire and other perils policy, vehicle insurance policy, marine policy, group mediclaim policy, terrorism policy, cyber liability insurance, public offering of securities liability insurance and directors and officer's liability insurance, which we believe is sufficient to cover all material risks in relation to our operations and income. Our operations are subject to hazards inherent to manufacturing units, such as risks relating to work accidents, fire, earthquake, burglary and loss in transit. This includes hazards that may cause injury and loss of life, damage and destruction of property and equipment.

A jeweller's block insurance policy covers the payment risk resulting from the delivery of jewellery. All our movement of goods are insured under jeweller's block insurance policy. For further details, please see "*Risk Factors – Our insurance policies may not adequately cover us against certain risks and hazards, which may have an adverse effect on our business*" on page 77. We have a risk management committee of Directors who undertake risk management review from time to time.

### **Intellectual Property**

Our business is largely dependent on the brand name "SENCO" and "Senco Gold & Diamond", which has over the years helped us in building brand equity and customer loyalty. We have filed 62 trademark applications in different classes, with the Registrar of Trademarks, Kolkata, as on the date of this Preliminary Placement Document. For further details, please see "*Risk Factors – We have not registered certain trademarks used by us for our business and our inability to obtain or maintain these registrations may adversely affect our competitive business position. Our inability to protect or use our intellectual property rights may adversely affect our business*" on page 71.

## ***Employees and Human Resource Management***

We believe in being an equal opportunity employer and strive to maintain diversity in our employee base. As of September 30, 2024, we have 2,688 employees on our records. This includes our Key Management Personnel, Senior Management Personnel, corporate office staff showroom staff and staff employed at our manufacturing facility. Out of our employees, 2,105 are based at our showrooms driving retail sales and customer operations, 479 are based in our head office while 104 are based at our factory.

All our employees undergo an annual performance review. We provide group mediclaim policies for our employees. Additionally, we also have a gift policy for the birth of a child and the wedding of our employees. Further, we have a one-time educational scholarship policy for children of our employees.

## ***Competition***

We face competition from both the organized and unorganised sectors of the jewellery retail business, including online jewellery sellers and online marketplaces. In India, jewellery retail is via three formats: national showrooms, regional showrooms and local standalone showrooms. Despite rapid market share gain by organised players over the past decade and a half, unorganised retailers continue to dominate the market. We also face competition in some regions from certain regional players. However, we believe that there are significant barriers to entry into the business of manufacturing and retailing jewellery in India.

Among the most important of these barriers is the need for significant working capital to purchase gold and diamonds, the long-term relationships required to have access to adequate supplies of diamonds, the limited number of persons with the skills necessary to manufacture high quality jewellery, the difficulty in obtaining access to upscale channels of distribution, the importance of public recognition of an established brand name, a reputation for jewellery-making excellence, and the development of systems to report on and stringently monitor the manufacturing and distribution network. Some of the major organised jewellery retailers in India include Kalyan Jewellers, Asian Star Company Ltd., Titan Ltd., Joyalukkas India Ltd. (*Source: CARE Report*) For details of the major organised jewellery retailers in India and eastern India, please see the section “*Industry Overview*” on page 153.

We also face competition from the unorganised segment which comprised 64.8% share of the total market in India as of fiscal 2024 (*Source: CARE Report*). In contrast to other countries, India's jewellery sector has an unorganized artisan (karigar) driven, traditional skill-based (handcrafted) manufacturing value chain, employing lakhs of workers (*Source: CARE Report*). While the organised segment has been growing faster than that unorganised segment, the unorganised segment still constitutes majority of the market and dominate the majority of the sector and present challenges to large retail players (*Source: CARE Report*) Further, the jewellery retailing industry in India has traditionally been dominated by independent jewellery showrooms and small family-run operations, which operated largely on trust.

For further details on unorganised market, please see the section “*Industry Overview*” on page 153.

## ***Corporate Social Responsibility***

Our Company has adopted a CSR policy in line with the requirements of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014, notified by the Central Government. Our vision while undertaking CSR activities is as follows:

- empowerment of women;
- education in rural areas for the younger generations and economically backward.

P.C. Sen Charitable Trust, one of our Group Entities, has been set up to undertake CSR activities on behalf of our Company. The focus of the PC Sen Trust is health and education. It has undertaken SHIVSWAY- Sankar Sen institute of Vocational training for women and youth. The objective of this institute is to empower women and youth from disadvantaged sections of society by providing them training through short term courses on jewellery designing, beauty care, retail sales, home care and health care services.

The P.C. Sen Charitable Trust is also in the process of implementing a nursing training college and a diagnostic centre. Our Company has also undertaken projects like “Project Green Flame” and “Project Krishalaya” aimed at

improving domestic developments in rural areas by establishing an energy efficient community chulha under Green Flame, and empowering the idea of education for underprivileged students through donations and fundings under Krishalaya.

In Fiscals 2024, 2023 and 2022, our expenditure towards our corporate social responsibility was ₹ 32.25 million, ₹ 26.50 million and ₹ 22.10 million, respectively. Our CSR activities are monitored by the Corporate Social Responsibility Committee.

## BOARD OF DIRECTORS AND SENIOR MANAGEMENT

The composition of our Board is governed by the provisions of the Companies Act, the rules prescribed thereunder, the SEBI Listing Regulations and the Articles of Association. In accordance with the Articles of Association, our Company shall have not less than three and not more than fifteen Directors, provided that our Company may appoint more than fifteen Directors after passing a special resolution in a general meeting of our Shareholders.

The composition of our Board is in conformity with Section 149 of the Companies Act and Regulation 17 of the SEBI Listing Regulations. As of the date of this Preliminary Placement Document, our Board comprises seven Directors of which three are Executive Directors and four are Independent Directors. The Board includes 3 women Directors of which 1 is an Independent Director.

The following table sets forth details regarding our Board as of the date of this Preliminary Placement Document:

| Sr. no. | Name, address, occupation, nationality, term and DIN                                                                                                                                                                                                                                                                                                                                                                                                                             | Age (in years) | Designation                                   |
|---------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-----------------------------------------------|
| 1.      | <p><b>Ranjana Sen</b></p> <p><i><b>Date of Birth:</b></i> May 23, 1959</p> <p><i><b>Address:</b></i> Sen Villa, 53A, Lake Place, Rabindra Sarobar, Near Mother Dairy – 215, Sarat Bose Road, Kolkata– 700029, West Bengal.</p> <p><i><b>Occupation:</b></i> Business</p> <p><i><b>Nationality:</b></i> Indian</p> <p><i><b>Term:</b></i> For a period of five years, with effect from August 12, 2020 (liable to retire by rotation).</p> <p><i><b>DIN:</b></i> 01226337</p>     | 65             | Chairperson and Whole time Director           |
| 2.      | <p><b>Suvankar Sen</b></p> <p><i><b>Date of Birth:</b></i> October 11, 1983</p> <p><i><b>Address:</b></i> Sen Villa, 53A, Lake Place, Rabindra Sarobar, Near Mother Dairy – 215, Sarat Bose Road, Kolkata– 700029, West Bengal.</p> <p><i><b>Occupation:</b></i> Business</p> <p><i><b>Nationality:</b></i> Indian</p> <p><i><b>Term:</b></i> For a period of five years, with effect from April 1, 2022. (liable to retire by rotation.)</p> <p><i><b>DIN:</b></i> 01178803</p> | 41             | Managing Director and Chief Executive Officer |
| 3.      | <p><b>Joita Sen</b></p> <p><i><b>Date of Birth:</b></i> December 16, 1984</p> <p><i><b>Address:</b></i> Sen Villa, 53A, Lake Place, Rabindra Sarobar, Near Mother Dairy – 215, Sarat Bose Road, Kolkata– 700029, West Bengal</p> <p><i><b>Occupation:</b></i> Business</p>                                                                                                                                                                                                       | 39             | Whole Time Director                           |

| Sr. no. | Name, address, occupation, nationality, term and DIN                                                                                                                                                                                                                                                                                                                                                                 | Age (in years) | Designation          |
|---------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------------|
|         | <p><b>Nationality:</b> Indian</p> <p><b>Term:</b> For a period of five years, with effect from August 12, 2020 (liable to retire by rotation)</p> <p><b>DIN:</b> 08828875</p>                                                                                                                                                                                                                                        |                |                      |
| 4.      | <p><b>Bhaskar Sen</b></p> <p><b>Date of Birth:</b> December 9, 1952</p> <p><b>Address:</b> 178 Purbalok 9<sup>th</sup> Street, Calcutta Public School, Mukundapur, Sonarpur, South 24 Parganas – 700099, West Bengal.</p> <p><b>Occupation:</b> Retired Banker</p> <p><b>Nationality:</b> Indian</p> <p><b>Term:</b> For a period of five years, with effect from September 18, 2021</p> <p><b>DIN:</b> 03193003</p> | 72             | Independent Director |
| 5.      | <p><b>Kumar Shankar Datta</b></p> <p><b>Date of Birth:</b> July 5, 1955</p> <p><b>Address:</b> Flat No. 3A, 3<sup>rd</sup> floor, Fomra Tower, 84A, A.J.C. Bose Road, Entally S.O, Kolkata – 700 014, West Bengal.</p> <p><b>Occupation:</b> Professional</p> <p><b>Nationality:</b> Indian</p> <p><b>Term:</b> For a period of five years, with effect from July 23, 2023</p> <p><b>DIN:</b> 07248231</p>           | 69             | Independent Director |
| 6.      | <p><b>Suman Varma</b></p> <p><b>Date of Birth:</b> October 1, 1962</p> <p><b>Address:</b> A-20, 2<sup>nd</sup> Floor, Gitanjali Enclave, Opp Navjivan Vihar, Malviya Nagar, South Delhi – 110 017, Delhi.</p> <p><b>Occupation:</b> Professional</p> <p><b>Nationality:</b> Indian</p> <p><b>Term:</b> For a period of five years, with effect from May 22, 2023</p> <p><b>DIN:</b> 08127928</p>                     | 62             | Independent Director |
| 7.      | <p><b>Shankar Prasad Halder</b></p> <p><b>Date of Birth:</b> November 24, 1958</p>                                                                                                                                                                                                                                                                                                                                   | 66             | Independent Director |

| Sr. no. | Name, address, occupation, nationality, term and DIN                                                                                                                                                                                                                                              | Age (in years) | Designation |
|---------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-------------|
|         | <p><b>Address:</b> Flat No-2524, Sector-D, Pocket-2, South West Delhi, Vasant Kunj – 110070, New Delhi</p> <p><b>Occupation:</b> Professional</p> <p><b>Nationality:</b> Indian</p> <p><b>Term:</b> For a period of five years, with effect from February 3, 2022</p> <p><b>DIN:</b> 06521264</p> |                |             |

### Brief biographies of Directors

#### Ranjana Sen

Ranjana Sen, aged 65 years, is the Chairperson and Whole Time Director of our Company. She has been associated with our Company since the inception of our Company and has over 30 years of experience in the jewellery industry.

#### Suvankar Sen

Suvankar Sen, aged 41 years, is a Whole Time Director designated as Managing Director and Chief Executive Officer of our Company. He holds a degree in bachelor's of science with Honours in Economics from St. Xavier's College, University of Calcutta. He also holds a post-graduate diploma in business management from the Institute of Management Technology, Ghaziabad. He has been associated with our Company since 2005 and has over 19 years of experience in the jewellery industry. He has been awarded "The Rising Star, 40 under 40 Award" by IIJS Premier 2023 and Gem & Jewellery Export Promotion Council, "The Young Business Leader" award by Sanmarg. Moreover, he was awarded "Sera Bengal" award by ABP Anand Sera Bengali Award 2023. He is also awarded CEO of the year for Phygital Technology Impact at the Retail Jewellery MD & CEO Awards, 2022. Further, he was also felicitated with "Xavier's Business Award" from his alumni, St. Xavier's College, Kolkata & St. Xavier's College (Calcutta) Alumni Association in 2022.

#### Joita Sen

Joita Sen, aged 39 years, is a Whole Time Director of our Company. She holds a bachelor's from St. Xavier's College, Kolkata and a degree in master's in arts from Presidency College, University of Calcutta. She has been associated with our Company since 2009 and has over 15 years of experience in the designing and marketing. She has been awarded "New Powerful Entrepreneur Award" by Jagran Acheiver Awards, 2023.

#### Bhaskar Sen

Bhaskar Sen, aged 72 years, is an Independent Director of our Company. He holds a degree of Bachelor of Commerce (honors) from the University of Calcutta. He has passed the associate examination of the Indian Institute of Bankers (IIB) and is thereby a certified associate (CAIIB) of the Institute. He has experience of more than four decades in the banking sector. He has been associated with our Company since 2021. Prior to joining our Company, he was associated with United Bank of India as the chairman and managing director at Dena Bank as an executive director, and at Bandhan Bank Limited as an independent director.

#### Kumar Shankar Datta

Kumar Shankar Datta, aged 69 years, is an Independent Director of our Company. He is a fellow member of the Institute of Chartered Accountants of India and holds a certificate of practice. He has passed the final examination held by Institute of Cost and Works Accountants of India. He has been associated with our Company since July 2018.

### Shankar Prasad Halder

Shankar Prasad Halder, aged 66 years, is an Independent Director of our Company. He holds a degree of Bachelor's in engineering (BE) in Electronics and Telecommunication from the Bengal Engineering College, University of Calcutta and has over 30 years of experience in both wire line as well as wireless mobile and telecommunication service providers. He started his career with Indian Telephone Industries and subsequently worked with Northern Digital Exchange and Modi Telestra in various roles in mobile technology and telecommunication network. Subsequently, he took up senior leadership roles in Escotel Mobile Communications. He was also the Chief-Operations, Development and Quality (CDQ) for India and South Asia at Bharti Airtel Limited. He is presently the founder and chief executive officer of Pinnacle Digital Analytics Private Limited.

### Suman Varma

Suman Varma, aged 62 years, is an Independent Director of our Company. She holds a master's degree in comparative literature from the Jadavpur University. She has been associated with our Company since 2018. She is an advertising and marketing professional with years of experience in the sector, and was earlier associated with J Walter Thompson (India), Rediffusion – Y & R (India) and Hamdard Laboratories (India).

### Relationship between our Directors

Except for Ranjana Sen, Suvankar Sen and Joita Sen, none of our Directors are related to each other.

| Name of Director | Relationship with other Director |
|------------------|----------------------------------|
| Ranjana Sen      | Mother of Suvankar Sen           |
|                  | Mother-in-law of Joita Sen       |
| Suvankar Sen     | Son of Ranjana Sen               |
|                  | Spouse of Joita Sen              |
| Joita Sen        | Spouse of Suvankar Sen           |
|                  | Daughter-in-law of Ranjana Sen   |

### Terms of appointment of our Chairperson, Managing Director and Executive Directors

#### a) Terms of appointment of Ranjana Sen:

Ranjana Sen was appointed as Whole Time Director pursuant to the board resolution dated August 12, 2020 and the approval of shareholders of our Company in the annual general meeting held on September 30, 2020. Further, our Company has entered into an agreement dated February 3, 2022 with Ranjana Sen detailing terms and conditions of her appointment as a Director on the Board of our Company.

The table below covers the remuneration which Ranjana Sen is entitled to:

|                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Gross Salary per annum</b>       | ₹ 8, 065,200                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Annual increment</b>             | 10% on the gross monthly remuneration payable                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Performance linked incentive</b> | <p>The performance linked incentive (PLI) shall be payable on a discretionary basis of the Cost to the Company in the following event on year-on-year basis as follows</p> <p>If Growth of Profits is above 10%, then PLI payable would be 15% of Cost to Company.<br/>If the Growth of turnover is above 10%, then PLI payable would be 15% of Cost to Company. If there are new Initiations &amp; projects taken digitally products wise than 10% of Cost to the Company.</p> |

|                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|--------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Medical reimbursement</b>                     | Payment / reimbursement of medical expenses incurred for self and family (including premium paid on Mediclaim / health insurance policies, whether in India or abroad) in accordance with the rules of the Company                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Earned leaves</b>                             | 30 days Annual Leave with full pay and allowances with all benefits and amenities as per rules of the Company. Accumulation as well as encashment of un availed earned privilege leave will be permissible in accordance with the Rules of the Company.                                                                                                                                                                                                                                                                                                                                                             |
| <b>Leave travel concession and accommodation</b> | As per rules of the Company as applicable from time to time and accommodation in five star hotel                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Club fees</b>                                 | Actual (Maximum of three clubs including admission fees and Life membership fees if any)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Conveyance</b>                                | Two Cars, driver and fuel paid by Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Insurance</b>                                 | Insurance premium paid by Company on life, health, personal accident and travel in India and abroad                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Others</b>                                    | <ul style="list-style-type: none"> <li>• Benefits &amp; Allowance(s): As per Rules of the Company as may be available to Other senior executives of the Company and / or as may be decided by the Board of Directors based on approval, if any, accorded by the Nomination, Remuneration and Compensation Committee.</li> <li>• Contribution to Provident Fund &amp; Superannuation Fund: As per the rules framed under the Company's relevant schemes and applicable statutory provisions, if any, from time to time.</li> <li>• Gratuity: As per rules of the Company as applicable from time to time.</li> </ul> |

**b) Terms of appointment of Suvankar Sen**

Suvankar Sen was appointed as our CEO on August 12, 2020, and also appointed as Managing Director of our Company for a period of 5 years with effect from April 1, 2022. Further, our Company has entered into an agreement dated February 3, 2022, detailing terms and conditions of his appointment as a Director on the Board of our Company.

The table below covers the remuneration which Suvankar Sen is entitled to:

|                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|-------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Gross Salary per annum</b>       | ₹ 21,898,800                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Annual increment</b>             | 10% on the gross monthly remuneration payable                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Performance linked incentive</b> | <p>The performance linked incentive (PLI) shall be payable on a discretionary basis of the Cost to the Company in the following event on year-on-year basis as follows</p> <p>If Growth of Profits is above 10%, then PLI payable would be 15% of Cost to Company. If the Growth of turnover is above 10%, then PLI payable would be 15% of Cost to Company. If there are new Initiations &amp; projects taken digitally products wise than 10% of Cost to the Company.</p> |
| <b>Medical reimbursement</b>        | Payment / reimbursement of medical expenses incurred for self and family (including premium paid on Mediclaim / health insurance policies, whether in India or abroad) in accordance with the rules of the Company                                                                                                                                                                                                                                                          |

|                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|--------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Earned leaves</b>                             | 30 days Annual Leave with full pay and allowances with all benefits and amenities as per rules of the Company. Accumulation as well as encashment of un availed earned privilege leave will be permissible in accordance with the Rules of the Company                                                                                                                                                                                                                                                                                                                                                              |
| <b>Leave travel concession and accommodation</b> | As per rules of the Company as applicable from time to time and accommodation in five-star hotel                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Club fees</b>                                 | Actual (Maximum of three clubs including admission fees and Life membership fees if any)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Conveyance</b>                                | Two Cars, driver and fuel paid by Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Insurance</b>                                 | Insurance premium paid by Company on life, health, personal accident and travel in India and abroad                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Others</b>                                    | <ul style="list-style-type: none"> <li>• Benefits &amp; Allowance(s): As per Rules of the Company as may be available to Other senior executives of the Company and / or as may be decided by the Board of Directors based on approval, if any, accorded by the Nomination, Remuneration and Compensation Committee.</li> <li>• Contribution to Provident Fund &amp; Superannuation Fund: As per the rules framed under the Company's relevant schemes and applicable statutory provisions, if any, from time to time.</li> <li>• Gratuity: As per rules of the Company as applicable from time to time.</li> </ul> |

**c) Terms of appointment of Joita Sen**

Joita Sen was appointed as Whole Time Director pursuant to the board resolution dated August 12, 2020 and the approval of shareholders of our Company in the annual general meeting held on September 30, 2020. Further, our Company has entered into an agreement dated February 3, 2022 with Joita Sen detailing terms and conditions of her appointment as a Director on the Board of our Company.

The table below covers the remuneration which Joita Sen is entitled to:

|                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|--------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Gross Salary per annum</b>                    | ₹ 6,982,800                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Annual increment</b>                          | 10% on the gross monthly remuneration payable                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Performance linked incentive</b>              | <p>The performance linked incentive (PLI) shall be payable on a discretionary basis of the Cost to the Company in the following event on year-on-year basis as follows</p> <p>If Growth of Profits is above 10%, then PLI payable would be 15% of Cost to Company. If the Growth of turnover is above 10%, then PLI payable would be 15% of Cost to Company. If there are new Initiations &amp; projects taken digitally products wise than 10% of Cost to the Company.</p> |
| <b>Medical reimbursement</b>                     | Payment / reimbursement of medical expenses incurred for self and family (including premium paid on Mediclaim / health insurance policies, whether in India or abroad) in accordance with the rules of the Company                                                                                                                                                                                                                                                          |
| <b>Earned leaves</b>                             | 30 days Annual Leave with full pay and allowances with all benefits and amenities as per rules of the Company. Accumulation as well as encashment of un availed earned privilege leave will be permissible in accordance with the Rules of the Company                                                                                                                                                                                                                      |
| <b>Leave travel concession and accommodation</b> | As per rules of the Company as applicable from time to time and accommodation in five star hotel                                                                                                                                                                                                                                                                                                                                                                            |

|                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|-------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Club fees</b>  | Actual (Maximum of three clubs including admission fees and Life membership fees if any)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Conveyance</b> | Two Cars, driver and fuel paid by Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Insurance</b>  | Insurance premium paid by Company on life, health, personal accident and travel in India and abroad                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Others</b>     | <ul style="list-style-type: none"> <li>Benefits &amp; Allowance(s): As per Rules of the Company as may be available to Other senior executives of the Company and / or as may be decided by the Board of Directors based on approval, if any, accorded by the Nomination, Remuneration and Compensation Committee.</li> <li>Contribution to Provident Fund &amp; Superannuation Fund: As per the rules framed under the Company's relevant schemes and applicable statutory provisions, if any, from time to time.</li> <li>Gratuity: As per rules of the Company as applicable from time to time.</li> </ul> |

### Remuneration details of our Executive Directors

The details of remuneration paid by our Company to our Executive Directors for the period from October 1, 2024 to November 30, 2024, six month period ended September 30, 2024 and for Fiscals 2024, 2023 and 2022 are set forth in the table below:

(in ₹ million)

| Sr. No. | Name of the Executive Director | From October 1, 2024 till November 30, 2024 | For the period from April 1, 2024 till September 30, 2024 | Fiscal Year 2024 | Fiscal Year 2023 | Fiscal Year 2022 |
|---------|--------------------------------|---------------------------------------------|-----------------------------------------------------------|------------------|------------------|------------------|
| 1.      | Suvankar Sen                   | 4.22                                        | 22.03                                                     | 32.61            | 29.91            | 19.57            |
| 2.      | Ranjana Sen                    | 1.55                                        | 8.02                                                      | 11.78            | 10.71            | 8.55             |
| 3.      | Joita Sen                      | 1.36                                        | 7.12                                                      | 10.86            | 10.14            | 6.11             |

### Remuneration paid to our Non-Executive Directors and Independent Directors and Nominee Director

The sitting fees of our Directors has been revised by our Board on November 9, 2023 with immediate effect to as follows: (i) ₹ 50,000 for attending each meeting of the Board and meeting of Independent Directors; (ii) ₹ 40,000 for attending each meeting of Audit Committee and Risk Management Committee; (iii) ₹ 30,000 for attending each meeting of Nomination, Remuneration and Compensation Committee, Stakeholders Relationship Committee and CSR Committee; and (iv) ₹ 15,000 for attending Management Committee meetings.

The details of the sitting fees paid by our Company to the Independent Directors for the period from October 1, 2024 to November 30, 2024, six month period ended September 30, 2024 and Fiscals 2024, 2023 and 2022 are set forth in the table below:

(in ₹ million)

| Sr. No. | Name of the Director  | From October 1, 2024 till November 30, 2024 | For the period from April 1, 2024 till September 30, 2024 | Fiscal 2024 | Fiscal 2023 | Fiscal 2022 |
|---------|-----------------------|---------------------------------------------|-----------------------------------------------------------|-------------|-------------|-------------|
| 1.      | Kumar Shankar Datta   | 0.36                                        | 0.78                                                      | 1.46        | 1.04        | 0.50        |
| 2.      | Suman Varma           | 0.20                                        | 0.30                                                      | 0.82        | 0.43        | 0.30        |
| 3.      | Shankar Prasad Halder | 0.31                                        | 0.60                                                      | 1.07        | 0.75        | 0.23        |
| 4.      | Bhaskar Sen           | 0.34                                        | 0.69                                                      | 1.26        | 0.91        | 0.38        |

### Remuneration paid to our Directors by our Subsidiaries

As on the date of this Preliminary Placement Document, none of our Directors are entitled to remuneration from our Subsidiaries. None of our Directors received any remuneration from our Subsidiaries in Fiscal 2024. Further, there is no contingent or deferred compensation payable to any of our Directors by our Subsidiaries which accrued in Fiscal 2024.

### Shareholding of Directors in our Company

Except as disclosed below, none of our Directors hold any Equity Shares in our Company, as of the date of this Preliminary Placement Document:

| Sr. No. | Name of the Director | Total number of Equity Shares | Total shareholding as a % of total number of Equity Shares |
|---------|----------------------|-------------------------------|------------------------------------------------------------|
| 1.      | Suvankar Sen*        | 50,916,832                    | 65.51%                                                     |
| 2.      | Joita Sen            | 689,815                       | 0.89%                                                      |
| 3.      | Ranjana Sen          | 833,484                       | 1.07%                                                      |

\*Includes 3,90,23,374 Equity Shares held in his capacity as the Trustee of Om Gaan Ganpataye Bajarangali Trust and Jai Hanuman Shri Siddhivinayak Trust.

### Appointment of relatives of our Directors to any office or place of profit

None of the relatives of our Directors hold any office of profit in our Company.

### Borrowing powers of our Board

Pursuant to our Articles of Association, subject to applicable laws, and pursuant to a resolution passed by our Board in its meeting dated August 13, 2024, and our Shareholders in their AGM held on September 13, 2024, our Board has been authorised to borrow money, as and when required, from any bank and/or other financial institution and/or foreign lender and/or anybody corporate/ entity/entities and/or authority/authorities, any other securities or instruments, such as floating rate notes, fixed rate notes, syndicated loans, debentures, bonds, commercial papers, short term loans or any other instruments etc. and/or through credit from official agencies and/or by way of commercial borrowings from the private sector window of multilateral financial institution, either in rupees or in such other foreign currencies as may be permitted by law from time to time, as may be deemed appropriate by the Board for an aggregate amount not exceeding ₹ 40,000.00 million. Provided however that money so borrowed together with the monies already borrowed by our Company, if any (apart from temporary loans obtained from our Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up share capital of our Company and its free reserves.

### Interest of our Directors

Our Directors may be deemed to be interested to the extent of their remuneration, fees and commission, if any, payable to them for attending meetings of our Board or committees thereof, as well as to the extent of reimbursement of expenses payable to them, and the Executive Director of our Company may be deemed to be interested to the extent of remuneration paid to them for services rendered.

Our Directors may also be regarded as interested in the Equity Shares held by them. They may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares and any other benefits arising out of such holding.

None of our Directors have any interest in any property acquired or proposed to be acquired of our Company or by our Company.

Except as provided in the section titled "Related Party Transactions" on page 116, our Company has not entered into any contract, agreement or arrangement during the three Fiscals immediately preceding the date of this Preliminary Placement Document, in which any of our Directors are interested, directly or indirectly, and no payments have been made to them in respect of any such contracts, agreements, arrangements which are proposed to be made with them.

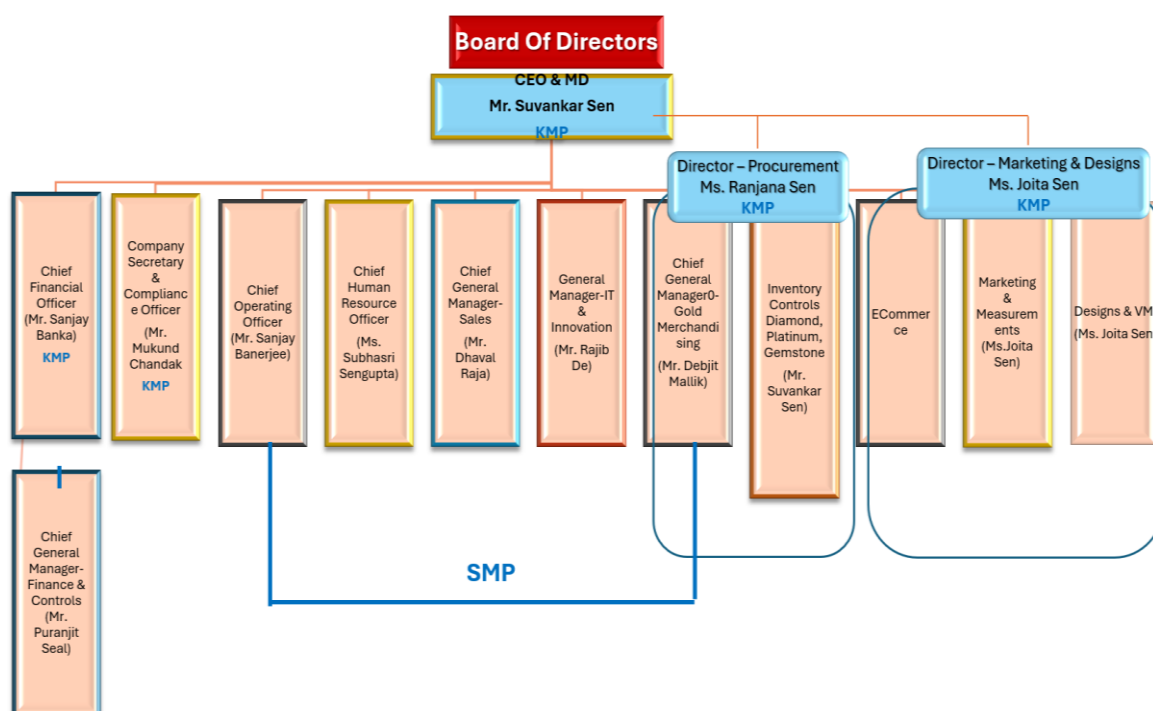
### Bonus or profit-sharing plan of our Directors

Except as stated in “-Terms of appointment of our Chairperson, Managing Director and Executive Directors” on page 242, none of our Directors are party to any bonus or profit sharing plan of our Company. Further, there is no contingent or deferred compensation payable to our Directors at a later date.

### Service contracts with Directors

Further, except in respect of statutory benefits upon termination of their employment in our Company or on retirement, no officer of our Company, including our Chairperson and Whole Time Director, Managing Director and Chief Executive Officer, Whole Time Director, Key Management Personnel and Senior Managerial Personnel have entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment.

### Management organization chart



### Corporate governance

Our Board presently consists of seven Directors comprising of three executive Directors, and four Independent Directors. This includes three-woman Directors, out of which one is an Independent Director on our Board. Further, in compliance with the provisions of the Companies Act, at least two-third of our Directors, other than our Independent Directors, are liable to retire by rotation.

Our Company is in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, the Companies Act and the SEBI ICDR Regulations, in respect of corporate governance, including constitution of our Board and committees thereof. The corporate governance framework is based on an effective independent Board, separation of our Board’s supervisory role from the executive management team and constitution of our Board committees, as required under law.

### Committees of our Board of Directors

Our Board has constituted statutory committees, which function in accordance with the relevant provisions of the Companies Act, and the SEBI Listing Regulations.

The statutory committees of our Board are: (i) Audit Committee; (ii) Nomination, Remuneration and Compensation Committee; (iii) Stakeholders’ Relationship Committee; (iv) Risk Management Committee; (v)

Corporate Social Responsibility Committee, (vi) Environmental Social Governance Committee, (vii) Management Committee, and (viii) QIP Committee.

The following table sets forth details of members of the aforesaid committees, as on the date of this Preliminary Placement Document:

| <b>Committee</b>                                    | <b>Name and designation of members</b>                                                                                                                                                                     |
|-----------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Audit Committee                                     | (i) Kumar Shankar Datta (Chairman);<br>(ii) Suvankar Sen (Member);<br>(iii) Bhaskar Sen (Member); and<br>(iv) Shankar Prasad Halder (Member).                                                              |
| Nomination, Remuneration and Compensation Committee | (i) Kumar Shankar Datta (Chairman);<br>(ii) Suman Varma (Member);<br>(iii) Bhaskar Sen (Member); and<br>(iv) Shankar Prasad Halder (Member).                                                               |
| Stakeholders Relationship Committee                 | (i) Kumar Shankar Datta (Chairman);<br>(ii) Suvankar Sen (Member);<br>(iii) Bhaskar Sen (Member);<br>(iv) Shankar Prasad Halder (Member); and<br>(v) Joita Sen (Member).                                   |
| Risk Management Committee                           | (i) Bhaskar Sen (Chairman);<br>(ii) Suvankar Sen, (Member);<br>(iii) Joita Sen, (Member);<br>(iv) Kumar Shankar Datta, (Member);<br>(v) Suman Varma; (Member) and<br>(vi) Shankar Prasad Halder, (Member). |
| Corporate Social Responsibility Committee           | (i) Suvankar Sen (Chairman);<br>(ii) Joita Sen (Member);<br>(iii) Kumar Shankar Datta (Member);<br>(iv) Suman Varma (Member);<br>(v) Bhaskar Sen (Member); and<br>(vi) Ranjana Sen (Member).               |
| Environmental Social Governance Committee           | (i) Suman Varma (Chairperson);<br>(ii) Suvankar Sen (Member);<br>(iii) Ranjana Sen (Member);<br>(iv) Bhaskar Sen (Member);<br>(v) Kumar Shankar Datta (Member); and<br>(vi) Joita Sen (Member).            |
| Management Committee                                | (i) Suvankar Sen (Chairman);<br>(ii) Kumar Shankar Datta (Member);<br>(iii) Ranjana Sen (Member); and<br>(iv) Joita Sen (Member).                                                                          |
| QIP Committee                                       | (i) Suvankar Sen (Chairman);<br>(ii) Kumar Shankar Datta (Member);<br>(iii) Bhaskar Sen (Member); and<br>(iv) Shankar Prasad Halder (Member).                                                              |

#### **Key Managerial Personnel and Senior Management**

In addition to, our Executive Directors, the details of our Key Managerial Personnel and the members of Senior Management in terms of the Companies Act, and the SEBI ICDR Regulations, as on the date of this Preliminary Placement Document, are set forth below:

| <b>Sr. No.</b>                  | <b>Name</b>     | <b>Designation</b>                     |
|---------------------------------|-----------------|----------------------------------------|
| <b>Key Managerial Personnel</b> |                 |                                        |
| 1.                              | Sanjay Banka    | Chief Financial Officer                |
| 2.                              | Mukund Chandak  | Company Secretary & Compliance Officer |
| <b>Senior Management</b>        |                 |                                        |
| 1.                              | Sanjay Banerjee | Chief Operating Officer                |

|    |                       |                                              |
|----|-----------------------|----------------------------------------------|
| 2. | Subhasri Sengupta     | Chief Human Resource Officer                 |
| 3. | Dhaval Jeetendra Raja | Chief General Manager (Sales)                |
| 4. | Puranjit Seal         | Chief General Manager (Finance and Accounts) |
| 5. | Debjit Mallick        | Chief General Manager- Gold (Merchandising)  |
| 6. | Rajib De              | General Manager (IT & Innovation)            |

### **Brief biographies of Key Managerial Personnel**

In addition to Ranjana Sen, Suvankar Sen and Joita Sen, the Executive Directors, the following person are the Key Managerial Personnel of our Company. For details of the brief biographies of our Executive Directors, please see “–*Brief biographies of Directors*” on page 241.

**Sanjay Banka**-Sanjay Banka is the Chief Financial Officer of our Company and is currently responsible for Finance, M&A, Investor Relationship, Internal Audit, ESG and Strategy. He has been associated with our Company since December 21, 2020. He is a fellow member of the Institute of Chartered Accountants of India (ICAI) and Institute of Company Secretaries of India (ICSI) and has been a Chartered Accountant for over 30 years. He is also a member of All India Management Association (AIMA) and Chartered Institute of Securities and Investment (CISI), United Kingdom. His educational qualifications include a bachelor’s degree in commerce from St. Xavier’s’ College, Calcutta University. Prior to joining our Company, he was associated with the following companies as the CFO –Aksh Optifibre Limited, Merino Industries Ltd, Bharat Road Network Limited and Landmark Group (Saudi Arabia). He has previously worked with Wireless TT Info Services Limited (a subsidiary of TATA Teleservices), MTS India, Bharti Airtel Limited, Reliance Communication Limited and Usha Martin Telekom Limited (a Hutchinson joint venture).

**Mukund Chandak**- Mukund Chandak is the Company Secretary & Compliance Officer of our Company and is currently responsible for the Secretarial, Compliance and Legal functions of our Company. He has been associated with our Company since April 3, 2023. He is an Associate member of the Institute of Company Secretaries of India (ICSI) and is also a Chartered Accountant. His educational qualifications include a bachelor’s degree in commerce from St. Xavier’s’ College, Calcutta University. Prior to joining the our Company, he was associated with Hindustan National Glass & Industries Limited and Gujarat NRE Coke Limited. He has over 18 years of experience as a Company Secretary.

### **Brief biographies of Senior Management**

**Sanjay Banerjee** –Sanjay Banerjee is the Chief Operating Officer of the Company and is currently responsible for Operations, Customer experience, New Business development, Anti Money Laundering and Logistics. He has been associated with the Company since March 1, 2019. His educational qualifications includes a bachelor’s degree in Arts and master’s degree in Philosophy from the Bombay University. Prior to joining our Company, he was associated with PNG Jewellers Private Limited Gitanjali Brands Limited and Suashish Diamonds Limited.

**Subhasri Sengupta** - Subhasri Sengupta is the Chief Human Resource Officer of our Company and is currently responsible for Human Resource Management in our Company. She has been associated with our Company since January 1, 2021. Her education qualification includes a bachelor’s degree in science (Human Development) from Viharilal College, Calcutta University, master’s degree in social work from Vidyasagar University and another master’s degree in Human Development from National Institute of Human Development Vivekananda Nidhi. Prior to joining our Company, she was associated with Jubilant Foodworks Limited, StyleGenie Digital Private Limited, Ratnasagar Herbals Private Limited, Home Solutions Retail (India) Limited, Radhakrishna Foodland Private Limited and Lifeline EMS India Limited.

**Dhaval Jeetendra Raja** - Dhaval Jeetendra Raja is the Chief General Manager – (Sales) of our Company and is currently responsible for overall sales of our Company. He has been associated with our Company since January 18, 2021. He has a master’s degree in Business Administration (Marketing) from Mumbai Educational Trust (Asian Management Development Centre) and has completed the Raymond Emerging Leaders’ Programme from Cambridge University Judge Business School. Prior to joining our Company, he was associated with Raymond Apparel Limited.

**Puranjit Seal** -.Puranjit Seal is the Chief General Manager (Finance and Controls) of the company and is currently responsible for Banking, Working Capital Management and Taxation for our Company. He has been associated with theCompany since June 3, 2013. He is a Chartered Accountant since 2002. Prior to joining our Company, he was associated with Gee Pee Infotech Private Limited.

**Debjit Mallick** -Debjit Mallick is the Chief General Manager – Gold (Merchandising) of the company and is currently responsible for the Gold Production Department of the Company. He has been associated with our Company since January 4, 2002. Prior to joining the Company, he was associated with P. C. Chandra (Jewellers) Limited.

**Rajib De** –Rajib De is the General Manager (IT & Innovation) of our Company and is currently responsible for Information Technology & Information department of our Company. He has been associated with our Company since September 1, 2007. He has also completed the Oracle SQL and PL/SQL course from CMC Academy. He is currently responsible for Information Technology department of our Company.

Except for Suvankar Sen, who is the son of Ranjana Sen and husband of Joita Sen, none of our Key Managerial Personnel or members of Senior Management are related to each other or to the Directors of our Company.

All of our Key Managerial Personnel and members of Senior Management are permanent employees of our Company.

#### **Remuneration paid (including sitting fees, commission and perquisites) to Key Managerial Personnel**

The details of the sitting fees paid by our Company to the Key Managerial Personnel for the period starting from October 1, 2024 till November 30, 2024, six month period ended September 30, 2024 and Fiscals 2024, 2023 and 2022 are set forth in the table below:

*(in ₹ million)*

| S. No. | Name of the key managerial personnel | From October 1, 2024 till November 30, 2024 | September 30, 2024 | Financial Year 2024 | Financial Year 2023 | Financial Year 2022 |
|--------|--------------------------------------|---------------------------------------------|--------------------|---------------------|---------------------|---------------------|
| 1.     | Sanjay Banka                         | 1.74                                        | 6.96               | 16.07               | 8.47                | 8.77                |
| 2.     | Mukund Chandak                       | 0.46                                        | 1.67               | -                   | -                   | -                   |
| 3.     | Surendra Gupta*                      | 0.00                                        | 1.66               | 3.63                | 2.96                | 2.51                |

\*Surendra Gupta, resigned from the position of Company Secretary & Compliance officer with effect from close of business hours of June 24, 2024 and Mukund Chandak has been appointed as the Company Secretary & Compliance officer with effect from June 27, 2024.

#### **Bonus or profit-sharing plan of the Key Managerial Personnel and Senior Management**

Our Company does not have any bonus or profit-sharing plan with the Key Managerial Personnel or members of the Senior Management other than the performance linked incentives given to Key Managerial Personnel and Senior Management Personnel.

#### **Service Contracts with Key Managerial Personnel and Senior Management**

Except in respect of statutory benefits upon termination of the employment in our Company or on retirement, no Key Managerial Personnel or members of the Senior Management have entered into any service contracts with our Company providing any termination benefits.

#### **Interest of our Key Managerial Personnel and member of the Senior Management**

Other than as disclosed in the “Interest of our Directors” on page 246, our Key Managerial Personnel and member of the Senior Management do not have any interest in our Company other than to the extent of the remuneration, or benefits to which they are entitled as per their terms of appointment, reimbursement of expenses incurred by them during the ordinary course of business and to the extent of the Equity Shares held by them or their dependents in our Company, if any. The Key Managerial Personnel and members of the Senior Management may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of Equity Shares held in our Company and any stock option granted to them, if any.

#### **Shareholding of our Key Managerial Personnel and Senior Management**

Except as disclosed below, none of our Key Managerial Personnel and Senior Management hold any Equity

Shares in our Company, as of the date of this Preliminary Placement Document:

| Sr. No. | Name of the Key Managerial Personnel or Senior Management | Designation                 | Total number of Equity Shares | Total shareholding as a % of total number of Equity Shares |
|---------|-----------------------------------------------------------|-----------------------------|-------------------------------|------------------------------------------------------------|
| 1.      | Sanjay Banka                                              | Key Managerial Personnel    | 9,569                         | Negligible                                                 |
| 2.      | Sanjay Banerjee                                           | Senior Managerial Personnel | 21                            | Negligible                                                 |
| 3.      | Debjit Mallick                                            | Senior Managerial Personnel | 2100                          | Negligible                                                 |
| 4.      | Dhaval Jeetendra Raja                                     | Senior Managerial Personnel | 4,450                         | Negligible                                                 |
| 5.      | Puranjit Seal                                             | Senior Managerial Personnel | 350                           | Negligible                                                 |
| 6.      | Rajib De                                                  | Senior Managerial Personnel | 2,250                         | Negligible                                                 |

#### Other confirmations

1. None of the Directors, Promoters, Key Managerial Personnel or members of the Senior Management of our Company have any financial or other material interest in the Issue.
2. Our Promoters, Directors, Key Managerial Personnel and members of the Senior Management will not participate in the Issue.
3. Neither our Company, nor any of our Directors or our Promoters has been identified as a Wilful Defaulter or as a Fraudulent Borrower by any lending banks or financial institutions or consortiums.
4. Neither our Company, nor our Directors or Promoters is currently debarred from accessing capital markets under any offence under any order or direction made by SEBI.
5. None of our Directors and Promoters has been declared as a Fugitive Economic Offender.
6. No loans have been availed or extended by our Directors, Key Managerial Personnel or members of the Senior Management from, or to, our Company or the Subsidiaries.

#### Policy on disclosures and internal procedure for prevention of insider trading

The SEBI Insider Trading Regulations applies to our Company and our employees and requires our Company to implement a code of practices and procedures for fair disclosure of unpublished price sensitive information and conduct for the prevention of insider trading. Our Company has implemented a code of practices and procedures for fair disclosure of unpublished price sensitive information in accordance with the SEBI Insider Trading Regulations.

#### Related party transactions

For details in relation to the related party transactions entered by our Company during the last three fiscals immediately preceding the date of this Preliminary Placement Document, please refer to the section titled “*Related Party Transactions*” on page 116. These disclosures made are as per the requirements of Ind AS 24.

## **ORGANISATIONAL STRUCTURE OF OUR COMPANY**

### **Corporate history**

Our Company was originally incorporated on August 22, 1994 under the Companies Act, 1956 as Senco Gold Private Limited, pursuant to a certificate of incorporation issued by the Registrar of Companies, West Bengal at Kolkata (“**RoC**”). Subsequently, pursuant to a resolution passed at the meeting of the Board of Directors held on June 27, 2007, and a special resolution of the shareholders of our Company at the EGM held on August 8, 2007, the name of our Company was changed to Senco Gold Limited, pursuant to its conversion into a public limited company. A fresh certificate of incorporation dated August 31, 2007, consequent to the change of name, was issued by the RoC. Our Company was converted to a public limited company in order to expand its activities in the field of the jewellery business. For further details regarding changes in the name and the Registered Office and Corporate Office of our Company, please refer to the section titled “*General Information*” on page 314.

Our Company’s CIN is L36911WB1994PLC064637.

The Registered and Corporate Office of our Company is at Diamond Prestige, 41A, A.J.C. Bose Road, 10th floor, Unit no. 1001, Kolkata – 700 017, West Bengal, India.

Our Equity Shares have been listed on BSE and NSE since July 14, 2023.

### **Subsidiaries**

As on date of this Preliminary Placement Document, our Company has three Subsidiaries, as set forth below:

#### ***Subsidiary***

1. Senco Gold Artisanhip Private Limited;
2. Senco Global Jewellery Trading LLC;
3. Sennes Fashion Limited

As on date of this Preliminary Placement Document, our Company does not have a Material Subsidiary.

### **Holding company**

As on date of this Preliminary Placement Document, our Company does not have a holding company.

### **Associate company**

As on the date of this Preliminary Placement Document, our Company does not have an associate company.

### **Joint ventures**

As on the date of this Preliminary Placement Document, our Company does not have any joint ventures.

## SHAREHOLDING PATTERN OF OUR COMPANY

The shareholding pattern of our Company, as on September 30, 2024, is set forth below:

**Table I – Summary statement holding of specified securities:**

| Category | Category of shareholder        | Number of shareholders (III) | Number of fully paid-up Equity Shares held | Number of partly paid-up Equity Shares held | Number of shares underlying Depository Receipts | Total number of shares held | Shareholding as a % of total number of shares (calculated as per SCRR, 1957) | Number of Voting Rights held in each class of securities |          |                         |               | Number of shares underlying outstanding convertible securities (including warrants) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) | Number of locked in shares |                                 | Number of Shares pledged or otherwise encumbered |                                 | Number of Equity Shares held in dematerialized form |
|----------|--------------------------------|------------------------------|--------------------------------------------|---------------------------------------------|-------------------------------------------------|-----------------------------|------------------------------------------------------------------------------|----------------------------------------------------------|----------|-------------------------|---------------|-------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|----------------------------|---------------------------------|--------------------------------------------------|---------------------------------|-----------------------------------------------------|
| (I)      | (II)                           |                              | (IV)                                       | (V)                                         | (VI)                                            | (VII) = (IV)+(V)+(VI)       | (VIII) As a % of (A+B+C2)                                                    | (IX)                                                     |          |                         |               | (X)                                                                                 | (XI)= (VII)+(X) As a % of (A+B+C2)                                                                                 | (XII)                      |                                 | (XIII)                                           |                                 | (XIV)                                               |
|          |                                |                              |                                            |                                             |                                                 |                             |                                                                              | Number of Voting Rights                                  |          | Total as a % of (A+B+C) |               |                                                                                     |                                                                                                                    | Number (a)                 | As a % of total Shares held (b) | Number (a)                                       | As a % of total Shares held (b) |                                                     |
|          |                                |                              |                                            |                                             |                                                 |                             |                                                                              | Class X                                                  | Class Y  | Total                   |               |                                                                                     |                                                                                                                    |                            |                                 |                                                  |                                 |                                                     |
| (A)      | Promoters and Promoter Group   | 5                            | 5,24,40,131                                | -                                           | -                                               | 5,24,40,131                 | 67.47                                                                        | 5,24,40,131                                              | -        | 5,24,40,131             | 67.47         | -                                                                                   | 67.47                                                                                                              | 1,55,37,310                | 29.63                           | -                                                | -                               | 5,24,40,131                                         |
| (B)      | Public                         | 1,09,860                     | 2,52,82,317                                | -                                           | -                                               | 2,52,82,317                 | 32.53                                                                        | 2,52,82,317                                              | -        | 2,52,82,317             | 32.53         | -                                                                                   | 32.53                                                                                                              | -                          | -                               | -                                                | -                               | 2,52,82,317                                         |
| (C)      | Non Promoters - Non Public     | -                            | -                                          | -                                           | -                                               | -                           | -                                                                            | -                                                        | -        | -                       | -             | -                                                                                   | -                                                                                                                  | -                          | -                               | -                                                | -                               | -                                                   |
| (C1)     | Shares underlying DRs          | -                            | -                                          | -                                           | -                                               | -                           | -                                                                            | -                                                        | -        | -                       | -             | -                                                                                   | -                                                                                                                  | -                          | -                               | -                                                | -                               | -                                                   |
| (C2)     | Shares held by Employee Trusts | -                            | -                                          | -                                           | -                                               | -                           | -                                                                            | -                                                        | -        | -                       | -             | -                                                                                   | -                                                                                                                  | -                          | -                               | -                                                | -                               | -                                                   |
|          | <b>Total</b>                   | <b>1,09,865</b>              | <b>7,77,22,448</b>                         | <b>-</b>                                    | <b>-</b>                                        | <b>7,77,22,448</b>          | <b>100.00</b>                                                                | <b>7,77,22,448</b>                                       | <b>-</b> | <b>7,77,22,448</b>      | <b>100.00</b> | <b>-</b>                                                                            | <b>100.00</b>                                                                                                      | <b>1,55,37,310</b>         | <b>19.99</b>                    | <b>-</b>                                         | <b>-</b>                        | <b>7,77,22,448</b>                                  |

**Table II - Statement showing shareholding pattern of our Promoters and Promoter Group:**

| Category | Category and Name of the Shareholder | Number of Shareholders | Number of fully paid-up equity shares held<br><br>(IV) | Number of Partly paid-up equity shares held<br><br>(V) | Number of Shares Underlying Depository Receipts<br><br>(VI) | Total Number of Shares Held<br>(IV+V+VI) | Shareholding as a % of total no of shares (calculated as per SCRR, 1957 (VIII) As a % of (A+B+C2) | Number of Voting Rights held in each class of securities |         |             |                         | Number of Shares Underlying Outstanding convertible securities (Including Warrants) | Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital) (VII)+(X) As a % of (A+B+C2) | Number of Locked in Shares<br><br>(XII) |                                 | Number of Shares pledged or otherwise encumbered<br><br>(XIII) |                                 | Number of equity shares held in dematerialized form<br><br>(XIV) |
|----------|--------------------------------------|------------------------|--------------------------------------------------------|--------------------------------------------------------|-------------------------------------------------------------|------------------------------------------|---------------------------------------------------------------------------------------------------|----------------------------------------------------------|---------|-------------|-------------------------|-------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|---------------------------------|----------------------------------------------------------------|---------------------------------|------------------------------------------------------------------|
|          |                                      |                        |                                                        |                                                        |                                                             |                                          |                                                                                                   | Number of Voting Rights                                  |         |             | Total as a % of (A+B+C) |                                                                                     |                                                                                                                                                | Number (A)                              | As a % of total Shares held (B) | Number (A)                                                     | As a % of total Shares held (B) |                                                                  |
|          |                                      |                        |                                                        |                                                        |                                                             |                                          |                                                                                                   | Class X                                                  | Class Y | Total       |                         |                                                                                     |                                                                                                                                                |                                         |                                 |                                                                |                                 |                                                                  |
| A(1)     | Indian                               |                        |                                                        |                                                        |                                                             |                                          |                                                                                                   |                                                          |         |             |                         |                                                                                     |                                                                                                                                                |                                         |                                 |                                                                |                                 |                                                                  |
| a)       | Individuals/ Hindu Undivided Family* | 3                      | 1,34,16,757                                            | -                                                      | -                                                           | 1,34,16,757                              | 17.26                                                                                             | 1,34,16,757                                              | -       | 1,34,16,757 | 17.26                   | -                                                                                   | 17.26                                                                                                                                          | 15,53,731                               | 11.58                           | -                                                              | -                               | 1,34,16,757                                                      |
| b)       | Any other (Specify)*                 | 2                      | 3,90,23,374                                            | -                                                      | -                                                           | 3,90,23,374                              | 50.21                                                                                             | 3,90,23,374                                              | -       | 3,90,23,374 | 50.21                   | -                                                                                   | 50.21                                                                                                                                          | 1,39,83,579                             | 35.83                           |                                                                |                                 | 3,90,23,374                                                      |
|          | Sub Total A(1)                       | 5                      | 5,24,40,131                                            | -                                                      | -                                                           | 5,24,40,131                              | 67.47                                                                                             | 5,24,40,131                                              | -       | 5,24,40,131 | 67.47                   | -                                                                                   | 67.47                                                                                                                                          | 1,55,37,310                             | 29.63                           | -                                                              | -                               | 5,24,40,131                                                      |
| A(2)     | Foreign                              | -                      | -                                                      | -                                                      | -                                                           | -                                        | -                                                                                                 | -                                                        | -       | -           | -                       | -                                                                                   | -                                                                                                                                              | -                                       | -                               | -                                                              | -                               | -                                                                |
|          | Total = A(1)+ A(2)                   | 5                      | 5,24,40,131                                            | -                                                      | -                                                           | 5,24,40,131                              | 67.47                                                                                             | 5,24,40,131                                              | -       | 5,24,40,131 | 67.47                   | -                                                                                   | 67.47                                                                                                                                          | 1,55,37,310                             | 29.63                           | -                                                              | -                               | 5,24,40,131                                                      |

\*Includes Promoter and Promoter Group entities.

**Table III - Statement showing shareholding pattern of the public shareholders:**

| Category | Category and Name of the Shareholder | Number of Shareholders | Number of fully paid-up equity shares held (IV) | Number of Partly paid- up equity shares held (V) | Number of Shares Underlying Depository Receipts (VI) | Total Number of Shares Held (IV+V+VI) | Shareholding as a % of total number of shares (calculated as per SCRR, 1957 (VIII) As a % of (A+B+C2) | Number of Voting Rights held in each class of securities |         |           |                         | Number of Shares Underlying Outstanding convertible securities (Including Warrants ) | Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital) (VII)+(X) As a % of (A+B+C2) | Number of Locked in Shares |                             | Number of Shares pledged or otherwise encumbered |                             | Number of equity shares held in dematerialized form |
|----------|--------------------------------------|------------------------|-------------------------------------------------|--------------------------------------------------|------------------------------------------------------|---------------------------------------|-------------------------------------------------------------------------------------------------------|----------------------------------------------------------|---------|-----------|-------------------------|--------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|-----------------------------|--------------------------------------------------|-----------------------------|-----------------------------------------------------|
|          |                                      |                        |                                                 |                                                  |                                                      |                                       |                                                                                                       | Number of Voting Rights                                  |         |           | Total as a % of (A+B+C) |                                                                                      |                                                                                                                                                | Number                     | As a % of total Shares held | Number                                           | As a % of total Shares held |                                                     |
|          |                                      |                        |                                                 |                                                  |                                                      |                                       |                                                                                                       | Class X                                                  | Class Y | Total     |                         |                                                                                      |                                                                                                                                                |                            |                             |                                                  |                             |                                                     |
| B(1)     | Institutions (Domestic)              |                        |                                                 |                                                  |                                                      |                                       |                                                                                                       |                                                          |         |           |                         |                                                                                      |                                                                                                                                                |                            |                             |                                                  |                             |                                                     |
| (a)      | Mutual Funds                         | 15                     | 39,67,502                                       | -                                                | -                                                    | 39,67,502                             | 5.10                                                                                                  | 39,67,502                                                | -       | 39,67,502 | 5.10                    | -                                                                                    | 5.10                                                                                                                                           | -                          | -                           | -                                                | -                           | 39,67,502                                           |
| (d)      | Venture Capital Funds                | -                      | -                                               | -                                                | -                                                    | -                                     | -                                                                                                     | -                                                        | -       | -         | -                       | -                                                                                    | -                                                                                                                                              | -                          | -                           | -                                                | -                           | -                                                   |
| (b)      | Alternative Investments Funds        | 17                     | 20,31,492                                       | -                                                | -                                                    | 20,31,492                             | 2.61                                                                                                  | 20,31,492                                                | -       | 20,31,492 | 2.61                    | -                                                                                    | 2.61                                                                                                                                           | -                          | -                           | -                                                | -                           | 20,31,492                                           |
| (c)      | Banks                                | -                      | -                                               | -                                                | -                                                    | -                                     | -                                                                                                     | -                                                        | -       | -         | -                       | -                                                                                    | -                                                                                                                                              | -                          | -                           | -                                                | -                           | -                                                   |
| (d)      | Insurance Companies                  | 4                      | 14,56,273                                       | -                                                | -                                                    | 14,56,273                             | 1.87                                                                                                  | 14,56,273                                                | -       | 14,56,273 | 1.87                    | -                                                                                    | 1.87                                                                                                                                           | -                          | -                           | -                                                | -                           | 14,56,273                                           |
|          | Provident Funds/ Pension Funds       | -                      | -                                               | -                                                | -                                                    | -                                     | -                                                                                                     | -                                                        | -       | -         | -                       | -                                                                                    | -                                                                                                                                              | -                          | -                           | -                                                | -                           | -                                                   |
|          | Asset reconstruction companies       | -                      | -                                               | -                                                | -                                                    | -                                     | -                                                                                                     | -                                                        | -       | -         | -                       | -                                                                                    | -                                                                                                                                              | -                          | -                           | -                                                | -                           | -                                                   |
|          | Sovereign Wealth Funds               | -                      | -                                               | -                                                | -                                                    | -                                     | -                                                                                                     | -                                                        | -       | -         | -                       | -                                                                                    | -                                                                                                                                              | -                          | -                           | -                                                | -                           | -                                                   |
| (e)      | NBFCs registered with RBI            | -                      | -                                               | -                                                | -                                                    | -                                     | -                                                                                                     | -                                                        | -       | -         | -                       | -                                                                                    | -                                                                                                                                              | -                          | -                           | -                                                | -                           | -                                                   |
| (f)      | Other Financial Institution          | -                      | -                                               | -                                                | -                                                    | -                                     | -                                                                                                     | -                                                        | -       | -         | -                       | -                                                                                    | -                                                                                                                                              | -                          | -                           | -                                                | -                           | -                                                   |
| (g)      | Any Other Specify                    | -                      | -                                               | -                                                | -                                                    | -                                     | -                                                                                                     | -                                                        | -       | -         | -                       | -                                                                                    | -                                                                                                                                              | -                          | -                           | -                                                | -                           | -                                                   |
|          | Sub-Total B(1)                       | 36                     | 74,55,267                                       | -                                                | -                                                    | 74,55,267                             | 9.59                                                                                                  | 74,55,267                                                | -       | 74,55,267 | 9.59                    | -                                                                                    | 9.59                                                                                                                                           | -                          | -                           | -                                                | -                           | 74,55,267                                           |
| B(2)     | Institutions (Foreign)               | -                      | -                                               | -                                                | -                                                    | -                                     | -                                                                                                     | -                                                        | -       | -         | -                       | -                                                                                    | -                                                                                                                                              | -                          | -                           | -                                                | -                           | -                                                   |
| (a)      | Foreign Direct Investment            | -                      | -                                               | -                                                | -                                                    | -                                     | -                                                                                                     | -                                                        | -       | -         | -                       | -                                                                                    | -                                                                                                                                              | -                          | -                           | -                                                | -                           | -                                                   |
| (b)      | Foreign Venture Capital Investors    | -                      | -                                               | -                                                | -                                                    | -                                     | -                                                                                                     | -                                                        | -       | -         | -                       | -                                                                                    | -                                                                                                                                              | -                          | -                           | -                                                | -                           | -                                                   |
| (c)      | Sovereign Wealth Funds               | -                      | -                                               | -                                                | -                                                    | -                                     | -                                                                                                     | -                                                        | -       | -         | -                       | -                                                                                    | -                                                                                                                                              | -                          | -                           | -                                                | -                           | -                                                   |

| Category | Category and Name of the Shareholder                                                              | Number of Shareholders | Number of fully paid-up equity shares held (IV) | Number of Partly paid- up equity shares held (V) | Number of Shares Underlying Depository Receipts (VI) | Total Number of Shares Held (IV+V+VI) | Shareholding as a % of total number of shares (calculated as per SCRR, 1957 (VIII) As a % of (A+B+C2) | Number of Voting Rights held in each class of securities |         |           |                         | Number of Shares Underlying Outstanding convertible securities (Including Warrants) | Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital) (VII)+(X) As a % of (A+B+C2) | Number of Locked in Shares |                             | Number of Shares pledged or otherwise encumbered |                             | Number of equity shares held in dematerialized form |
|----------|---------------------------------------------------------------------------------------------------|------------------------|-------------------------------------------------|--------------------------------------------------|------------------------------------------------------|---------------------------------------|-------------------------------------------------------------------------------------------------------|----------------------------------------------------------|---------|-----------|-------------------------|-------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|-----------------------------|--------------------------------------------------|-----------------------------|-----------------------------------------------------|
|          |                                                                                                   |                        |                                                 |                                                  |                                                      |                                       |                                                                                                       | Number of Voting Rights                                  |         |           | Total as a % of (A+B+C) |                                                                                     |                                                                                                                                                | Number                     | As a % of total Shares held | Number                                           | As a % of total Shares held |                                                     |
|          |                                                                                                   |                        |                                                 |                                                  |                                                      |                                       |                                                                                                       | Class X                                                  | Class Y | Total     |                         |                                                                                     |                                                                                                                                                |                            |                             |                                                  |                             |                                                     |
| (d)      | Foreign Portfolio Investors Category-I                                                            | 56                     | 59,42,156                                       | -                                                | -                                                    | 59,42,156                             | 7.65                                                                                                  | 59,42,156                                                | -       | 59,42,156 | 7.65                    | -                                                                                   | 7.65                                                                                                                                           | -                          | -                           | -                                                | -                           | 59,42,156                                           |
| (e)      | Foreign Portfolio Investors Category-II                                                           | 15                     | 7,25,590                                        | -                                                | -                                                    | 7,25,590                              | 0.93                                                                                                  | 7,25,590                                                 | -       | 7,25,590  | 0.93                    | -                                                                                   | 0.93                                                                                                                                           | -                          | -                           | -                                                | -                           | 7,25,590                                            |
| (f)      | Any Other Specify                                                                                 | -                      | -                                               | -                                                | -                                                    | -                                     | -                                                                                                     | -                                                        | -       | -         | -                       | -                                                                                   | -                                                                                                                                              | -                          | -                           | -                                                | -                           | -                                                   |
|          | Sub-Total B (2)                                                                                   | 71                     | 66,67,746                                       | -                                                | -                                                    | 66,67,746                             | 8.58                                                                                                  | 66,67,746                                                | -       | 66,67,746 | 8.58                    | -                                                                                   | 8.58                                                                                                                                           | -                          | -                           | -                                                | -                           | 66,67,746                                           |
| B(3)     | Central Government / State Government (s)                                                         | -                      | -                                               | -                                                | -                                                    | -                                     | -                                                                                                     | -                                                        | -       | -         | -                       | -                                                                                   | -                                                                                                                                              | -                          | -                           | -                                                | -                           | -                                                   |
| B(4)     | Non-Institutions                                                                                  |                        |                                                 |                                                  |                                                      |                                       |                                                                                                       |                                                          |         |           |                         |                                                                                     |                                                                                                                                                |                            |                             |                                                  |                             |                                                     |
| (a)      | Associate companies / Subsidiaries                                                                | -                      | -                                               | -                                                | -                                                    | -                                     | -                                                                                                     | -                                                        | -       | -         | -                       | -                                                                                   | -                                                                                                                                              | -                          | -                           | -                                                | -                           | -                                                   |
| (b)      | Directors and their relatives (excluding independent directors and nominee directors)             | -                      | -                                               | -                                                | -                                                    | -                                     | -                                                                                                     | -                                                        | -       | -         | -                       | -                                                                                   | -                                                                                                                                              | -                          | -                           | -                                                | -                           | -                                                   |
| (c)      | Key Managerial Personnel                                                                          | 1                      | 9,569                                           | -                                                | -                                                    | 9,569                                 | 0.01                                                                                                  | 9,569                                                    | -       | 9,569     | 0.01                    | -                                                                                   | 0.01                                                                                                                                           | -                          | -                           | -                                                | -                           | 9,569                                               |
| (d)      | Relatives of promoters (other than immediate relatives' of promoters disclosed under Promoter and | -                      | -                                               | -                                                | -                                                    | -                                     | -                                                                                                     | -                                                        | -       | -         | -                       | -                                                                                   | -                                                                                                                                              | -                          | -                           | -                                                | -                           | -                                                   |

| Category | Category and Name of the Shareholder                                                                                              | Number of Shareholders | Number of fully paid-up equity shares held (IV) | Number of Partly paid- up equity shares held (V) | Number of Shares Underlying Depository Receipts (VI) | Total Number of Shares Held (IV+V+VI) | Shareholding as a % of total number of shares (calculated as per SCRR, 1957 (VIII) As a % of (A+B+C2) | Number of Voting Rights held in each class of securities |         |           |                         | Number of Shares Underlying Outstanding convertible securities (Including Warrants ) | Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital) (VII)+(X) As a % of (A+B+C2) | Number of Locked in Shares |                             | Number of Shares pledged or otherwise encumbered |                             | Number of equity shares held in dematerialized form |
|----------|-----------------------------------------------------------------------------------------------------------------------------------|------------------------|-------------------------------------------------|--------------------------------------------------|------------------------------------------------------|---------------------------------------|-------------------------------------------------------------------------------------------------------|----------------------------------------------------------|---------|-----------|-------------------------|--------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|-----------------------------|--------------------------------------------------|-----------------------------|-----------------------------------------------------|
|          |                                                                                                                                   |                        |                                                 |                                                  |                                                      |                                       |                                                                                                       | Number of Voting Rights                                  |         |           | Total as a % of (A+B+C) |                                                                                      |                                                                                                                                                | Number                     | As a % of total Shares held | Number                                           | As a % of total Shares held |                                                     |
|          |                                                                                                                                   |                        |                                                 |                                                  |                                                      |                                       |                                                                                                       | Class X                                                  | Class Y | Total     |                         |                                                                                      |                                                                                                                                                |                            |                             |                                                  |                             |                                                     |
|          | Promoter Group category)                                                                                                          |                        |                                                 |                                                  |                                                      |                                       |                                                                                                       |                                                          |         |           |                         |                                                                                      |                                                                                                                                                |                            |                             |                                                  |                             |                                                     |
| (e)      | Trusts where any person belonging to 'Promoter and Promoter Group' category is 'trustee', 'beneficiary', or 'author of the trust' | -                      | -                                               | -                                                | -                                                    | -                                     | -                                                                                                     | -                                                        | -       | -         | -                       | -                                                                                    | -                                                                                                                                              | -                          | -                           | -                                                | -                           | -                                                   |
| (f)      | Investor Education and Protection Fund (IEPF)                                                                                     | -                      | -                                               | -                                                | -                                                    | -                                     | -                                                                                                     | -                                                        | -       | -         | -                       | -                                                                                    | -                                                                                                                                              | -                          | -                           | -                                                | -                           | -                                                   |
| (g)      | Resident Individuals holding nominal share capital up to ₹2 lakhs                                                                 | 1,05,546               | 85,77,169                                       | -                                                | -                                                    | 85,77,169                             | 11.04                                                                                                 | 85,77,169                                                | -       | 85,77,169 | 11.04                   | -                                                                                    | 11.04                                                                                                                                          | -                          | -                           | -                                                | -                           | 85,77,169                                           |
| (h)      | Resident Individuals holding nominal share capital in excess of ₹2 lakhs                                                          | 16                     | 11,52,419                                       | -                                                | -                                                    | 11,52,419                             | 1.48                                                                                                  | 11,52,419                                                | -       | 11,52,419 | 1.48                    | -                                                                                    | 1.48                                                                                                                                           | -                          | -                           | -                                                | -                           | 11,52,419                                           |
| (i)      | Non-Resident Indians                                                                                                              | 2,283                  | 7,19,897                                        | -                                                | -                                                    | 7,19,897                              | 0.93                                                                                                  | 7,19,897                                                 | -       | 7,19,897  | 0.93                    | -                                                                                    | 0.93                                                                                                                                           | -                          | -                           | -                                                | -                           | 7,19,897                                            |
| (j)      | Foreign Nationals                                                                                                                 | -                      | -                                               | -                                                | -                                                    | -                                     | -                                                                                                     | -                                                        | -       | -         | -                       | -                                                                                    | -                                                                                                                                              | -                          | -                           | -                                                | -                           | -                                                   |
| (k)      | Foreign Companies                                                                                                                 | -                      | -                                               | -                                                | -                                                    | -                                     | -                                                                                                     | -                                                        | -       | -         | -                       | -                                                                                    | -                                                                                                                                              | -                          | -                           | -                                                | -                           | -                                                   |
| (l)      | Bodies Corporate                                                                                                                  | 613                    | 4,99,867                                        | -                                                | -                                                    | 4,99,867                              | 0.64                                                                                                  | 4,99,867                                                 | -       | 4,99,867  | 0.64                    | -                                                                                    | 0.64                                                                                                                                           | -                          | -                           | -                                                | -                           | 4,99,867                                            |

| Category | Category and Name of the Shareholder | Number of Shareholders | Number of fully paid-up equity shares held (IV) | Number of Partly paid-up equity shares held (V) | Number of Shares Underlying Depository Receipts (VI) | Total Number of Shares Held (IV+V+VI) | Shareholding as a % of total number of shares (calculated as per SCRR, 1957 (VIII) As a % of (A+B+C2) | Number of Voting Rights held in each class of securities |         |             |                         | Number of Shares Underlying Outstanding convertible securities (Including Warrants) | Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital) (VII)+(X) As a % of (A+B+C2) | Number of Locked in Shares |                             | Number of Shares pledged or otherwise encumbered |                             | Number of equity shares held in dematerialized form |
|----------|--------------------------------------|------------------------|-------------------------------------------------|-------------------------------------------------|------------------------------------------------------|---------------------------------------|-------------------------------------------------------------------------------------------------------|----------------------------------------------------------|---------|-------------|-------------------------|-------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|-----------------------------|--------------------------------------------------|-----------------------------|-----------------------------------------------------|
|          |                                      |                        |                                                 |                                                 |                                                      |                                       |                                                                                                       | Number of Voting Rights                                  |         |             | Total as a % of (A+B+C) |                                                                                     |                                                                                                                                                | Number                     | As a % of total Shares held | Number                                           | As a % of total Shares held |                                                     |
|          |                                      |                        |                                                 |                                                 |                                                      |                                       |                                                                                                       | Class X                                                  | Class Y | Total       |                         |                                                                                     |                                                                                                                                                |                            |                             |                                                  |                             |                                                     |
| (m)      | Any other (Specify)                  | 1,294                  | 2,00,383                                        | -                                               | -                                                    | 2,00,383                              | 0.26                                                                                                  | 2,00,383                                                 | -       | 2,00,383    | 0.26                    | -                                                                                   | 0.26                                                                                                                                           | -                          | -                           | -                                                | -                           | 2,00,383                                            |
| (n)      | Clearing Members                     | 5                      | 7,928                                           | -                                               | -                                                    | 7,928                                 | 0.01                                                                                                  | 7,928                                                    | -       | 7,928       | 0.01                    | -                                                                                   | 0.01                                                                                                                                           | -                          | -                           | -                                                | -                           | 7,928                                               |
| (o)      | Hindu Undivided Family               | 1,281                  | 1,74,889                                        | -                                               | -                                                    | 1,74,889                              | 0.23                                                                                                  | 1,74,889                                                 | -       | 1,74,889    | 0.23                    | -                                                                                   | 0.23                                                                                                                                           | -                          | -                           | -                                                | -                           | 1,74,889                                            |
| (p)      | Trusts                               | 8                      | 17,566                                          | -                                               | -                                                    | 17,566                                | 0.02                                                                                                  | 17,566                                                   | -       | 17,566      | 0.02                    | -                                                                                   | 0.02                                                                                                                                           | -                          | -                           | -                                                | -                           | 17,566                                              |
|          | Sub-Total B(4)                       | 1,09,753               | 1,11,59,304                                     | -                                               | -                                                    | 1,11,59,304                           | 14.36                                                                                                 | 1,11,59,304                                              | -       | 1,11,59,304 | 14.36                   | -                                                                                   | 14.36                                                                                                                                          | -                          | -                           | -                                                | -                           | 1,11,59,304                                         |
|          | Total B=B(1)+B(2)+B(3)+B(4)          | 1,09,860               | 2,52,82,317                                     | -                                               | -                                                    | 2,52,82,317                           | 32.53                                                                                                 | 2,52,82,317                                              | -       | 2,52,82,317 | 32.53                   | -                                                                                   | 32.53                                                                                                                                          | -                          | -                           | -                                                | -                           | 2,52,82,317                                         |

**Table IV - Statement showing shareholding pattern of the non-promoter, non-public shareholders:**

| Category | Category and Name of the Shareholder                                                                                        | Number of Shareholders | Number of fully paid-up equity shares held | Number of Partly paid- up equity shares held | Number of Shares Underlying Depository Receipts | Total Number of Shares Held (IV+V+VI) | Shareholding as a % of total no of shares (calculated as per SCRR, 1957 (VIII) As a % of (A+B+C2) | Number of Voting Rights held in each class of securities |         |       |                         | Number of Shares Underlying Outstanding convertible securities (Including Warrants) | Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital) (VII)+(X) As a % of (A+B+C2) | Number of Locked in Shares |                             | Number of Shares pledged or otherwise encumbered |                             | Number of equity shares held in dematerialized form |
|----------|-----------------------------------------------------------------------------------------------------------------------------|------------------------|--------------------------------------------|----------------------------------------------|-------------------------------------------------|---------------------------------------|---------------------------------------------------------------------------------------------------|----------------------------------------------------------|---------|-------|-------------------------|-------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|-----------------------------|--------------------------------------------------|-----------------------------|-----------------------------------------------------|
|          |                                                                                                                             |                        |                                            |                                              |                                                 |                                       |                                                                                                   | Number of Voting Rights                                  |         |       | Total as a % of (A+B+C) |                                                                                     |                                                                                                                                                | Number                     | As a % of total Shares held | Number                                           | As a % of total Shares held |                                                     |
|          |                                                                                                                             |                        |                                            |                                              |                                                 |                                       |                                                                                                   | Class X                                                  | Class Y | Total |                         |                                                                                     |                                                                                                                                                |                            |                             |                                                  |                             |                                                     |
| 1.       | Custodian / DR Holder                                                                                                       | -                      | -                                          | -                                            | -                                               | -                                     | -                                                                                                 | -                                                        | -       | -     | -                       | -                                                                                   | -                                                                                                                                              | -                          | -                           | -                                                | -                           | -                                                   |
| 2.       | Employee Benefit Trust/Employee Welfare Trust under SEBI (Share based Employee Benefits and Sweat Equity) Regulations, 2021 | -                      | -                                          | -                                            | -                                               | -                                     | -                                                                                                 | -                                                        | -       | -     | -                       | -                                                                                   | -                                                                                                                                              | -                          | -                           | -                                                | -                           | -                                                   |
|          | Total Non-Promoter - Non Public Shareholding (C)=(C)(1)+(C)(2)                                                              | -                      | -                                          | -                                            | -                                               | -                                     | -                                                                                                 | -                                                        | -       | -     | -                       | -                                                                                   | -                                                                                                                                              | -                          | -                           | -                                                | -                           | -                                                   |

## ISSUE PROCEDURE

*The following is a summary intended to present a general outline of the procedure relating to the bidding application, payment of Application Amount, Allocation and Allotment of the Equity Shares. The procedure followed in the Issue may differ from the one mentioned below and investors are assumed to have apprised themselves of the same from our Company or the Book Running Lead Managers. Bidders that apply in the Issue will be required to confirm and will be deemed to have represented to our Company, the Book Running Lead Managers and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Book Running Lead Managers and their respective directors, officers, employees, counsels, agents, affiliates, and representatives accept no responsibility or liability for advising any Eligible Bidder on whether such Eligible Bidder was eligible to acquire the Equity Shares. Investors are advised to inform themselves of any restrictions or limitations that may be applicable to them and are required to consult their respective advisors in this regard. Also refer to the sections titled "Selling Restrictions" and "Purchaser Representations and Transfer Restrictions" on pages 277 and 285, respectively.*

Our Company, the Book Running Lead Managers and their respective directors, shareholders, employees, counsels, officers, agents, advisors, affiliates and representatives are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not ultimately result in triggering an open offer under the Takeover Regulations and shall be solely responsible for compliance with all the applicable provisions of the Takeover Regulations, the SEBI Insider Trading Regulations, and other applicable laws.

### Qualified Institutions Placement

**THE ISSUE IS MEANT ONLY FOR ELIGIBLE QIBs ON A PRIVATE PLACEMENT BASIS AND IS NOT AN OFFER TO THE PUBLIC OR TO ANY OTHER CLASS OF INVESTORS.**

This Preliminary Placement Document has not been, and will not be, filed as a prospectus with the RoC and, no Equity Shares will be offered in India or overseas to the public or any members of the public or any other class of investors, other than Eligible QIBs.

The Issue is being made to Eligible QIBs in reliance upon Chapter VI of the SEBI ICDR Regulations and Section 42 and other applicable provisions of the Companies Act, 2013 and rules thereunder, through the mechanism of a QIP. Under Chapter VI of the SEBI ICDR Regulations and Sections 42 and 62 of the Companies Act, 2013 read with Rule 14 of the PAS Rules, our Company, being a listed company in India may issue Equity Shares to Eligible QIBs, provided that certain conditions are met by our Company. Some of these conditions are set out below:

- the Shareholders have passed a special resolution approving the Issue. Such special resolution must specify (a) that the allotment of Equity Shares is proposed to be made pursuant to the QIP and (b) the Relevant Date;
- the explanatory statement to the notice to the Shareholders for convening the general meeting must disclose, among other things, the particulars of the Issue, including the date of passing the board resolution, the kind of securities being offered and the price at which they are offered, amount which the Company intends to raise by way of such securities and the material terms of raising such securities, proposed Issue schedule, the purpose or objects of the Issue, the contribution made by the Promoters or Directors either as part of the Issue or separately in furtherance of the objects, and the basis or justification for the price (including premium, if any) at which the offer or invitation is being made;
- under Regulation 172(1)(b) of the SEBI ICDR Regulations, the Equity Shares of the same class of our Company, which are proposed to be allotted through the QIP, are listed on the Stock Exchanges, for a period of at least one year prior to the date of issuance of notice to our Shareholders for convening the meeting to adopt the above-mentioned special resolution;
- invitation to apply in the Issue must be made through a private placement offer cum application letter (i.e., this Preliminary Placement Document) and an application form serially numbered and addressed

specifically to the Eligible QIBs to whom the Issue is made either in writing or in electronic mode, within 30 days of recording the name of such person in accordance with applicable law;

- our Company shall have completed allotments with respect to any earlier offer or invitation made by our Company or has withdrawn or abandoned any such invitation or offer, however, our Company may, at any time, make more than one issue of securities to such class of identified persons as may be prescribed;
- our Company shall not make any subsequent QIP until the expiry of two weeks from the date of this Issue;
- an offer to Eligible QIBs will not be subject to a limit of 200 persons. Prior to circulating the private placement offer cum application letter (i.e., this Preliminary Placement Document), our Company must prepare and record a list of Eligible QIBs to whom the offer will be made. The offer must be made only to such Eligible QIBs whose names are recorded by our Company prior to the invitation to subscribe;
- our Company acknowledges that the offering of securities by issue of public advertisements or utilisation of any media, marketing or distribution channels or agents to inform the public about the Issue is prohibited;
- Equity Shares will be issued in accordance with the SEBI ICDR Regulations, and Allotment shall be made only in dematerialized form to the Allottees;
- our Promoters and Directors have not been declared as ‘fraudulent borrowers’ by lending banks or financial institution or consortium thereof, in terms of RBI master circular dated July 1, 2016;
- our Promoters and Directors are not Wilful Defaulters; and
- our Promoters and Directors are not Fugitive Economic Offenders.

At least 10% of the Equity Shares issued to Eligible QIBs shall be allotted to Mutual Funds, provided that, if this portion or any part thereof to be allotted to Mutual Funds remains unsubscribed, it may be allotted to other Eligible QIBs.

Bidders are not allowed to withdraw or revise downwards their Bids after the Issue Closing Date.

Additionally, there is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price of the Equity Shares issued under this Issue shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares of the same class quoted on the stock exchanges during the two weeks preceding the Relevant Date as calculated in accordance with Chapter VI of the SEBI ICDR Regulations. The “Relevant Date” referred to above means the date of the meeting in which the Board or the Committee of Directors decides to open the Issue and “stock exchange” means any of the recognized stock exchanges on which the Equity Shares of the same class are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date. Further, in accordance with the approval of the Shareholders accorded through a special resolution passed by way of postal ballot on November 26, 2024, our Company may offer a discount of not more than 5% on the Floor Price in accordance with the SEBI ICDR Regulations.

The Equity Shares will be Allotted within 365 days from the date of the Shareholders’ resolution approving the QIP and within 60 days from the date of receipt of Application Amount from the Successful Bidders. For details of Allotment, please refer to “– Pricing and Allocation – Designated Date and Allotment of Equity Shares” below.

The Equity Shares issued pursuant to the QIP must be issued on the basis of this Preliminary Placement Document and the Placement Document. This Preliminary Placement Document and the Placement Document shall contain all material information required under applicable law including the information specified in Schedule VII of SEBI ICDR Regulations and the requirements prescribed under the PAS Rules and Form PAS-4. This Preliminary Placement Document and the Placement Document are private documents provided to only select investors through serially numbered copies and are required to be placed on the website of the concerned Stock Exchanges and our Company with a disclaimer to the effect that it is in connection with an issue to Eligible QIBs and no offer is being made to the public or to any other category of investors. Please note that if you do not receive a serially numbered copy of this Preliminary Placement Document addressed to you, you may not rely on this Preliminary Placement Document or Placement Document uploaded on the website of the Stock Exchanges or our Company for making an application to subscribe to Equity Shares pursuant to this Issue.

This Issue was authorised and approved by our Board of Directors on October 4, 2024 and approved by our Shareholders through a special resolution by way of postal ballot on November 26, 2024.

The minimum number of allottees with respect to a QIP shall be at least:

- two, where the issue size is less than or equal to ₹ 2500 million; and
- five, where the issue size is greater than ₹ 2500 million.

No single Allottee shall be Allotted more than 50% of the Issue Size.

Eligible QIBs that belong to the same group or that are under common control shall be deemed to be a single allottee. For details of what constitutes “same group” or “common control”, please refer to “– Bid Process – Application Form” below.

Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on floor of a recognised stock exchange.

Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to them, including in relation to lock-in requirements. VCFs and AIFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.

**The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act, or the securities laws of any state of the United States and may not be offered or sold in 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 any applicable state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in “offshore transactions” as defined in, and in reliance on, Regulation S and the applicable laws of the jurisdictions where such offers and sales are made. The Equity Shares are transferable only in accordance with the restrictions described under the sections titled “Selling Restrictions” and “Purchaser Representations and Transfer Restrictions” on pages 277 and 285, respectively.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

Our Company has also filed a copy of this Preliminary Placement Document and will file a copy of the Placement Document with each of the Stock Exchanges. Our Company has received in-principle approvals from each of the Stock Exchanges under Regulation 28(1)(a) of the SEBI Listing Regulations for the listing of the Equity Shares on BSE and NSE, each dated December 10, 2024.

#### **Issue Procedure**

1. Our Company in consultation with the Book Running Lead Managers shall circulate serially numbered copies of this Preliminary Placement Document and the serially numbered Application Form, either in electronic or physical form, to Eligible QIBs and the Application Form will be specifically addressed to each such Eligible QIB. In terms of Section 42(3) of the Companies Act, our Company shall maintain records of the Eligible QIBs in the form and manner as prescribed under the PAS Rules, to whom this Preliminary Placement Document and the serially numbered Application Form have been dispatched. Our Company will make the requisite filings with the RoC within the stipulated time periods as required under the Companies Act and the PAS Rules. The list of Eligible QIBs to whom this Preliminary Placement Document and Application Form is delivered will be determined by the Book Running Lead Managers in consultation with our Company, at their sole discretion.
2. **Unless a serially numbered Preliminary Placement Document along with the serially numbered Application Form, which includes the details of the bank account wherein the Application Amount is to be deposited, is addressed to a particular QIB, no invitation to make an offer to subscribe shall be deemed to have been made to such QIB.** Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person and any application that does not comply with this requirement shall be treated as invalid. An Eligible QIB may submit an unsigned copy of the Application Form, as long as the Application Amount is paid along with submission of the Application Form within the Bid/Issue

Period. Once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Application Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Bid/Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and this Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so.

3. Eligible QIBs may submit the Application Form, including any revisions thereof along with the Application Amount and a copy of the PAN card or PAN allotment letter, during the Issue Period to the Book Running Lead Managers.
4. Bidders will be required to indicate the following in the Application Form:
  - Full official name of the Bidder to whom Equity Shares are to be Allotted, PAN details (if applicable) complete address, e-mail id, phone number and bank account details;
  - number of Equity Shares Bid for;
  - price at which they are agreeable to subscribe for the Equity Shares and the aggregate Application Amount for the number of Equity Shares Bid for;
  - details of the beneficiary account maintained with a depository participant to which the Equity Shares should be credited pursuant to this Issue; and
  - a representation that (a) it is outside the United States acquiring the Equity Shares in an “offshore transaction” as defined in and in reliance on Regulation S and the applicable laws of the jurisdiction where those offers and sales are made, and (b) it has agreed to certain other representations set forth in the sections titled “*Representations by Investors*” and “*Purchaser Representations and Transfer Restrictions*” on pages 7 and 285, respectively and in the Application Form.

**Note:** Eligible FPIs are required to indicate their SEBI FPI registration number in the Application Form. The Bids made by the asset management companies or custodian of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made. Application by various schemes or funds of a Mutual Fund will be treated as one application from the Mutual Fund. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.

5. Each Bidder shall be required to make the entire payment of the Application Amount for the Equity Shares Bid for, along with the Application Form, only through electronic transfer to the Escrow Account within the Issue Period as specified in the Application Form sent to the respective Bidders. Please note that any payment of Application Amount for the Equity Shares shall be made from the bank accounts of the relevant Bidders and our Company shall keep a record of the bank account from where such payment has been received. No payment shall be made in the Issue by the Bidders in cash. Application Amount payable on Equity Shares to be held by joint holders shall be paid from the bank account of the person whose name appears first in the Application Form. Pending Allotment and the filing of return of Allotment by our Company with the RoC or receipt of final listing and trading approval from the Stock Exchanges, whichever is later, Application Amount received for subscription of the Equity Shares shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised only for the purposes permitted under the Companies Act. Notwithstanding the above, in the event, among others, a Bidder is not Allocated Equity Shares in the Issue, or the number of Equity Shares Allocated to the Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, or the Application Amount is in excess of the amount equivalent to the product of the Equity Shares that have been Allocated to the Bidder and the Issue Price, or any Eligible QIB lowers or withdraws their Bid after submission of the Application Form but prior to the Issue Closing Date, the excess Application Amount will be refunded to the same bank account from which it was remitted, in the form and manner set out in “– Refunds” below.
6. Once a duly completed Application Form is submitted by a Bidder and the Application Amount is transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and the Bid cannot be withdrawn or revised downwards after the Issue Closing Date. In case of upward revision

before the Issue Closing Date, an additional amount shall be required to be deposited towards the Application Amount in the Escrow Account along with the submission of such revised Bid. In case of Bids being made on behalf of the Eligible QIB where the Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so. The Issue Closing Date shall be notified to the Stock Exchanges and the Eligible QIBs shall be deemed to have been given notice of such date after receipt of the Application Form.

7. The Eligible QIBs acknowledge that in accordance with the requirements of the Companies Act upon Allocation, the Bank will be required to disclose the names of proposed Allottees and the percentage of their post Issue shareholding in the Placement Document and consents to such disclosure, if any Equity Shares are allocated to it.
8. The Bids made by asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made. Application by various schemes or funds of a Mutual Fund will be treated as one application from the Mutual Fund. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws.
9. Upon receipt of the duly completed Application Form and the Application Amount in the Escrow Account, after the Issue Closing Date, our Company shall, in consultation with the Book Running Lead Managers determine the final terms, including the Issue Price of the Equity Shares to be issued pursuant to the Issue and Allocation. Upon such determination, the Book Running Lead Managers will send the serially numbered CAN to the Eligible QIBs who have been Allocated the Equity Shares. The dispatch of a CAN, and the Placement Document (when dispatched) to a Successful Bidder shall be deemed a valid, binding and irrevocable contract for the Successful Bidders to subscribe to the Equity Shares Allocated to such Successful Bidders at an aggregate price equivalent to the product of the Issue Price and Equity Shares Allocated to such Successful Bidders. The CAN shall contain details such as the number of Equity Shares Allocated to the Successful Bidders, Issue Price, refund details in case of partial refunds and the aggregate amount received towards the Equity Shares Allocated. In case of Bids being made on behalf of the Eligible QIB where the Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so. **Please note that the Allocation will be at the absolute discretion of our Company in consultation with the Lead Managers.** The Bidder acknowledges that in terms of the requirements of the Companies Act, upon Allocation, our Company will be required to disclose the names of proposed allottees and the percentage of their post-Issue shareholding in the Placement Document and consents to such disclosure, if any Equity Shares are allocated to it.
10. Upon determination of the Issue Price and the issuance of CAN and before Allotment of Equity Shares to the Successful Bidders, the Book Running Lead Managers, shall, on our behalf, send a serially numbered Placement Document, either in electronic form or through physical delivery, to each of the Successful Bidders who have been Allocated Equity Shares pursuant to dispatch of a serially numbered CAN.
11. Upon dispatch of serially numbered Placement Document, our Company shall Allot Equity Shares as per the details in the CANs sent to the Successful Bidders. Our Company will inform the Stock Exchanges of the details of the Allotment.
12. After passing the resolution for Allotment and prior to crediting the Equity Shares into the beneficiary account of the Successful Bidders maintained by the depository participant, as specified in the records of the depositories or as indicated in their respective Application Form, our Company shall apply to the Stock Exchanges for listing approvals in respect of the Equity Shares Allotted pursuant to the Issue.
13. After receipt of the listing approvals of the Stock Exchanges, our Company shall credit the Equity Shares Allotted pursuant to this Issue into the beneficiary accounts of the respective Allottees.
14. Our Company will then apply for the final trading approvals from the Stock Exchanges.

15. The Equity Shares that would have been credited to the beneficiary account with the Depository Participant of the Eligible QIBs shall be eligible for trading on the Stock Exchanges only upon the receipt of final trading and listing approvals from the Stock Exchanges.
16. As per applicable law, the Stock Exchanges will notify the final listing and trading approvals, which are ordinarily available on their websites, and our Company may communicate the receipt of the listing and trading approvals to those Eligible QIBs to whom the Equity Shares have been Allotted. Our Company and the Book Running Lead Managers shall not be responsible for any delay or non-receipt of the communication of the final trading and listing permissions from the Stock Exchanges or any loss arising from such delay or non-receipt. Investors are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or our Company.
17. In the event that the number of Equity Shares Allocated to a Bidder is lower than the number of Equity Shares applied for, through the Application Form and towards which Bid Amount has been paid by such Bidder, or Equity Shares are not Allocated to a Bidder for any reasons, or a Bidder withdraws the Bid prior to the Issue Closing Date, any excess Bid Amount paid by such Bidder will be refunded to the same bank account from which Bid Amount was remitted, in the form and manner set out in “– Refunds” below.

### **Qualified Institutional Buyers**

Only Eligible QIBs are eligible to invest in the Equity Shares pursuant to the Issue, provided that with respect to FPIs, only Eligible FPIs applying under Schedule II of the FEMA Rules will be considered as Eligible QIBs. FVCIs are not permitted to participate in the Issue. Currently, QIBs, who are eligible to participate in the Issue (not being excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations) and also as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, are set forth below:

- alternate investment funds registered with SEBI;
- Eligible FPIs;
- insurance companies registered with Insurance Regulatory and Development Authority of India;
- insurance funds set up and managed by army, navy or air force of the Union of India;
- insurance funds set up and managed by the Department of Posts, India;
- multilateral and bilateral development financial institutions;
- Mutual Funds;
- pension funds with minimum corpus of ₹ 250 million registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013;
- provident funds with minimum corpus of ₹ 250 million;
- public financial institutions, as defined under Section 2(72) of the Companies Act;
- scheduled commercial banks;
- state industrial development corporations;
- the National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government published in the Gazette of India;
- venture capital funds registered with SEBI; and
- systemically important non-banking financial companies.

**Eligible FPIs are permitted to participate through the portfolio investment scheme under Schedule II of FEMA Rules, in this Issue. Eligible FPIs are permitted to participate in the Issue subject to compliance with all applicable laws and such that the shareholding of the FPIs do not exceed specified limits as prescribed under applicable laws in this regard. Other eligible non-resident QIBs shall participate in the Issue under Schedule I of the FEMA Rules. FVCIs are not permitted to participate in this Issue.**

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control) is not permitted to be 10% or above of our post-Issue Equity Share capital. Further, in terms of the FEMA Rules, the total holding by each FPI including its investor group shall be below 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis. In case the holding of an FPI including its investor group increases to 10% or more of the total paid-up equity capital, on a fully diluted basis, the FPI including its investor group is required to divest the excess holding within five trading days from the date of settlement of the trades resulting in the breach. In the event that such divestment of excess holding is not done, the total investment made

by such FPI together with its investor group will be re-classified as FDI as per procedure specified by SEBI and the FPI and its investor group will be prohibited from making any further portfolio investment in the Company under the SEBI FPI Regulations. However, in accordance with Regulation 22(4) of the SEBI FPI Regulations, the FPIs who are: (a) appropriately regulated public retail funds; (b) public retail funds where the majority is owned by appropriately regulated public retail fund on look through basis; or (c) public retail funds and investment managers of such foreign portfolio investors are appropriately regulated, the aggregation of the investment limits of such FPIs having common control, shall not be applicable. As per the circular issued by SEBI dated November 5, 2019 (circular no. IMD/FPI&C/CIR/P/2019/124), these investment restrictions shall also apply to subscribers of Offshore Derivative Instruments. Further, the aggregate limit of all FPIs investments, with effect from April 1, 2020, is up to the sectoral cap applicable to the sector in which the Company operates. Under the current FDI Policy, 100% foreign direct investment is permitted in our Company, under the automatic route, subject to compliance with certain prescribed conditions.

Two or more subscribers of ODIs having a common beneficial owner shall be considered together as a single subscriber of the ODI. In the event an investor has investments as an FPI and as a subscriber of ODIs, these investment restrictions shall apply on the aggregate of the FPI and ODI investments held in the underlying company.

Pursuant to the SEBI circular dated April 5, 2018 (circular no. IMD/FPIC/CIR/P/2018/61), our Company has appointed NSDL as the designated depository to monitor the level of FPI/NRI shareholding in our Company on a daily basis and once the aggregate foreign investment of a company reaches a cut-off point, which is 3% below the overall limit a red flag shall be activated. The depository is then required to inform the Stock Exchanges about the activation of the red flag. The Stock Exchanges are then required to issue the necessary circulars/ public notifications on their respective websites. Once a red flag is activated, the FPIs must trade cautiously, because in the event that there is a breach of the sectoral cap, the FPIs will be under an obligation to disinvest the excess holding within five trading days from the date of settlement of the trades.

Eligible FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. For a description of the restrictions applicable to the offer and sale of the Equity Shares in the Issue in certain jurisdictions, please refer to the sections titled “*Selling Restrictions*” and “*Purchaser Representations and Transfer Restrictions*” on pages 277 and 285, respectively.

### **Restriction on Allotment**

Under Regulation 179(2)(b) of the SEBI ICDR Regulations, no Allotment shall be made pursuant to the Issue, either directly or indirectly, to any QIB being, or any person related to the Promoters. QIBs which have all or any of the following rights shall be deemed to be persons related to the Promoters:

- rights under a shareholders’ agreement or voting agreement entered into with the Promoters or members of the Promoters Group;
- veto rights; or
- a right to appoint any nominee director on the Board.

Provided, however, that a QIB which does not hold any Equity Shares in our Company and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to the Promoters.

**Our Company and the Book Running Lead Managers and any of their respective shareholders, employees, counsels, officers, directors, advisors, representatives, agents or affiliates are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not ultimately result in triggering an open offer under the Takeover Regulations and ensure compliance with applicable laws.**

**Note:** Affiliates or associates of the Book Running Lead Managers who are Eligible QIBs may participate in the Issue in compliance with applicable laws.

## **Bid Process**

### ***Application Form***

Eligible QIBs shall only use the serially numbered Application Forms (which are addressed to them) supplied by our Company and the Book Running Lead Managers in either electronic form or by physical delivery for the purpose of making a Bid (including revision of a Bid) in terms of this Preliminary Placement Document. The Application Form may be signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An Eligible QIB may submit an unsigned copy of the Application Form, as long as the Application Amount is paid along with submission of the Application Form within the Issue Period, and in such case, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so. An Eligible QIB may submit an unsigned copy of the Application Form, as long as the Application Amount is paid along with submission of the Application Form within the Issue Period.

By making a Bid (including the revision thereof) for Equity Shares through Application Forms and pursuant to the terms of this Preliminary Placement Document, the Eligible QIB will be deemed to have made the following representations, warranties, acknowledgements and undertakings given or made under the sections titled “*Notice to Investors*”, “*Representations by Investors*”, “*Selling Restrictions*” and “*Purchaser Representations and Transfer Restrictions*” on pages 3, 7, 277 and 285 respectively:

1. The Eligible QIB confirms that it is a QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and is not excluded under Regulation 179(2)(b) of the SEBI ICDR Regulations, has a valid and existing registration under the applicable laws in India (as applicable) and is eligible to participate in this Issue;
2. The Eligible QIB confirms that it is not a Promoters, and is not a person related to the Promoters, either directly or indirectly, and its Application Form does not directly or indirectly represent the Promoters, or persons related to the Promoters or members of the Promoter Group;
3. The Eligible QIB confirms and consents to its name and percentage of post-Issue shareholding (assuming full subscription in the Issue) will be included as a ‘proposed allottee’ in the Issue in the Placement Document;
4. The Eligible QIB confirms that it has no rights under a shareholders’ agreement or voting agreement with the Promoters or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board other than those acquired in the capacity of a lender;
5. The Eligible QIB acknowledges that it has no right to withdraw or revise its Bid downwards after the Issue Closing Date;
6. The Eligible QIB confirms that if Equity Shares are Allotted through this Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than on the floor of the Stock Exchanges;
7. The Eligible QIB confirms that the QIB is eligible to Bid and hold Equity Shares so Allotted together with any Equity Shares held by it prior to the Issue, if any. The QIB further confirms that the holding of the QIB, does not and shall not, exceed the level permissible as per any applicable regulations applicable to the QIB;
8. The Eligible QIB confirms that in the event it is resident outside India, it is an Eligible FPI, having a valid and existing registration with SEBI under the applicable laws in India or a multilateral or bilateral development financial institution, and is eligible to invest in India under applicable law, including the FEMA Rules, as amended, and any notifications, circulars or clarifications issued thereunder, and has not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets and is not an FVCI;
9. The Eligible QIB confirms that its Bids would not ultimately result in triggering an open offer under the Takeover Regulations;

10. The Eligible QIB agrees that it will make payment of its Application Amount along with submission of the Application Form within the Issue Period. Each Eligible QIB agrees that once a duly filled Application Form is submitted by it, whether signed or not, and the Application Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Issue Closing Date;
11. The Eligible QIB agrees that although the Application Amount is required to be paid by it along with the Application Form within the Issue Period in terms of provisions of the Companies Act, and rules made thereunder, our Company reserves the right to Allocate and Allot Equity Shares pursuant to this Issue on a discretionary basis in consultation with the Book Running Lead Managers. The Eligible QIB further acknowledges and agrees that the payment of Application Amount does not guarantee Allocation and/or Allotment of Equity Shares Bid for in full or in part;
12. The Eligible QIB acknowledges that in terms of the requirements of the Companies Act, upon Allocation, our Company will be required to disclose the names of proposed Allottees and the percentage of their post-Issue shareholding in the Placement Document and consents to such disclosure, if any Equity Shares are Allocated to it. However, the Eligible QIB further acknowledges and agrees that the disclosure of such details in relation to it in the Placement Document will not guarantee Allotment to it, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the Book Running Lead Managers;
13. The Eligible QIB confirms that the number of Equity Shares Allotted to it pursuant to the Issue, together with other Allottees that belong to the same group or are under common control, shall not exceed 50% of the Issue. For the purposes of this representation:
  - a. QIBs “belonging to the same group” shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, amongst an Eligible QIB, its subsidiary(ies) or holding company and any other QIB; and
  - b. ‘Control’ shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the Takeover Regulations;
14. The Eligible QIB confirms that
  - a. it is outside the United States and is purchasing the Equity Shares in an “offshore transaction” as defined in and in reliance on Regulation S and the applicable laws of the jurisdictions where those offers and sales are made, and is not our affiliate or a person acting on behalf of such an affiliate; and
  - b. it has agreed to certain other representations set forth in the sections titled “*Representations by Investors*” and “*Purchaser Representations and Transfer Restrictions*” on pages 7 and 285, respectively.
15. Each Eligible FPI, confirms that it will participate in the Issue only under and in conformity with Schedule II of FEMA Rules. Further, each Eligible FPI acknowledges that Eligible FPIs may invest in such number of Equity Shares such that the individual investment of the Eligible FPI or its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control) in our Company does not exceed 10% of the post-Issue paid-up capital of our Company on a fully diluted basis.
16. The Eligible QIB confirms that it, individually or together with its investor group, is not restricted from making further investments in our Company through the portfolio investment route, in terms of Regulation 22(3) of the SEBI FPI Regulations;
17. The Eligible QIB acknowledges that no Allotment shall be made to them if the price at which they have Bid for in this Issue is lower than the Issue Price; and
18. The QIBs confirm that they shall not undertake any trade in the Equity Shares credited to its beneficiary account maintained with the Depository Participant until such time that the final listing and trading

approvals for the Equity Shares are issued by the Stock Exchanges.

**ELIGIBLE QIBS MUST PROVIDE THEIR NAME, COMPLETE ADDRESS, PHONE NUMBER, EMAIL ID, BANK ACCOUNT DETAILS, BENEFICIARY ACCOUNT DETAILS, PAN, DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. ELIGIBLE QIBS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THEIR BENEFICIARY ACCOUNT IS HELD.**

**IF SO REQUIRED BY THE BOOK RUNNING LEAD MANAGERS, THE ELIGIBLE QIBs SUBMITTING A BID, ALONG WITH THE APPLICATION FORM, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO THE BOOK RUNNING LEAD MANAGERS TO EVIDENCE THEIR STATUS AS A "QIB" AS DEFINED HEREINABOVE.**

**IF SO REQUIRED BY THE BOOK RUNNING LEAD MANAGERS, ESCROW BANK OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER ISSUE CLOSURE, THE ELIGIBLE QIBs SUBMITTING A BID AND/OR BEING ALLOTTED EQUITY SHARES IN THE ISSUE, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE KNOW YOUR CUSTOMER (KYC) NORMS.**

Demographic details such as address and bank account will be obtained from the Depositories as per the Depository Participant account details given above. However, for the purposes of refund of all or part of the Application Amount submitted by the Bidder, the bank details as mentioned in the Application Form from which the Application Amount shall be remitted for the Equity Shares applied for in the Issue, will be considered.

The submission of an Application Form and payment of the Application Amount pursuant to the Application Form by a Bidder shall be deemed a valid, binding and irrevocable offer for such Bidder to pay the entire amounts for the Equity Shares that may be Allotted to such Bidder and shall become a binding contract on a Successful Bidder upon issuance of the CAN and the Placement Document (when dispatched) by our Company (by itself or through the Book Running Lead Managers) in favour of the Successful Bidder.

#### ***Submission of Application Form***

All Application Forms must be duly completed with information including the number of Equity Shares applied for along with payment and a copy of the PAN card or PAN allotment letter. Additionally, the Application Form will include details of the Escrow Account into which the Application Amount will have to be deposited. The Application Amount shall be deposited in the Escrow Account as is specified in the Application Form and the Application Form shall be submitted to the Book Running Lead Managers either through electronic form or through physical delivery at either of the following addresses:

| <b>Name of the Book Running Lead Manager</b> | <b>Address</b>                                                                             | <b>Contact person</b>          | <b>Website and Email ID</b>                                                                                                                                 | <b>Telephone</b>            |
|----------------------------------------------|--------------------------------------------------------------------------------------------|--------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|
| Ambit Private Limited                        | Ambit House, 449, Senapati Bapat Marg Lower Parel, Mumbai 400 013, Maharashtra, India      | Nikhil Bhiwapurkar             | Website: <a href="http://www.ambit.co">www.ambit.co</a><br>Email ID: <a href="mailto:senco.qip@ambit.com">senco.qip@ambit.com</a>                           | Telephone: +91 22 6623 3030 |
| Emkay Global Financial Services Limited      | 7th Floor, The Ruby, Senapati Bapat Marg, Dadar (West), Mumbai 400 028, Maharashtra, India | Pranav Nagar / Pooja Sarvankar | Website: <a href="http://www.emkayglobal.com">www.emkayglobal.com</a><br>Email ID: <a href="mailto:senco.qip@emkayglobal.com">senco.qip@emkayglobal.com</a> | Telephone: +91 22 6612 1212 |

The Application Form may be signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An Eligible QIB may submit an unsigned copy of the Application Form, as long as the Application Amount is paid along with submission of the Application Form within the Issue Period. Once a duly completed Application Form is

submitted by a Bidder, whether signed or not, and the Application Amount is transferred to the Escrow Account, such application constitutes an irrevocable offer and the Bid cannot be withdrawn or revised downwards after the Issue Closing Date. In case of an upward revision before the Issue Closing Date, an additional amount shall be required to be deposited towards the Application Amount in the Escrow Account along with the submission of such revised Bid. In case Bids are being made on behalf of the Eligible QIB and the Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so. The Issue Closing Date shall be notified to the Stock Exchanges and the Eligible QIBs shall be deemed to have been given notice of such date after receipt of the Application Form.

The Book Running Lead Managers shall not be required to provide any written acknowledgement of the receipt of the Application Form and the Application Amount.

All Bidders submitting a Bid in the Issue, shall pay the entire Application Amount along with the submission of the Application Form within the Issue Period.

### **Payment of Application Amount**

Our Company has opened the Escrow Account in the name of “**SENCO GOLD LIMITED QIP ESCROW ACCOUNT**” with Yes Bank Limited, our Escrow Bank, in terms of the Escrow Agreement. Bidders will be required to deposit the entire Application Amount payable for the Equity Shares applied for through the Application Form submitted by it in accordance with the applicable laws.

Payments are to be made only through electronic fund transfer.

**Note: Payments through cheques or demand draft or cash shall be rejected.**

If the payment is not made favouring the “**SENCO GOLD LIMITED QIP ESCROW ACCOUNT**” within the Issue Period stipulated in the Application Form, the Application Form of the QIB is liable to be cancelled.

Pending Allotment, our Company undertakes to utilise the amount deposited in “**SENCO GOLD LIMITED QIP ESCROW ACCOUNT**” only for the purposes of (i) adjustment against Allotment of Equity Shares in the Issue; or (ii) refund of Application Amount if our Company is not able to Allot Equity Shares in the Issue. Notwithstanding the above, in the event a Bidder is not Allocated Equity Shares in the Issue, or the number of Equity Shares Allocated to a Bidder, is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, the excess Application Amount will be refunded to the same bank account from which Application Amount was remitted, in the form and manner set out in “– Refunds” below.

### **Permanent Account Number or PAN**

Each Bidder should mention its PAN allotted under the Income Tax Act in the Application Form. Applications without this information will be considered incomplete and are liable to be rejected. Bidders should not submit the GIR number instead of the PAN as the Application Form is liable to be rejected on this ground.

### **Bank Account Details**

Each Bidder shall mention the details of the bank account from which the payment of Application Amount has been made along with confirmation that such payment has been made from such account.

### **Pricing and Allocation**

#### **Build-up of the Book**

The Eligible QIBs shall submit their Bids (including any revision thereof) through the Application Forms within the Issue Period to the Book Running Lead Managers. Such Bids cannot be withdrawn or revised downwards after the Issue Closing Date. The book shall be maintained by the Book Running Lead Managers.

#### **Price Discovery and Allocation**

Our Company, in consultation with the Book Running Lead Managers, shall determine the Issue Price, which shall be at or above the Floor Price. There is a minimum pricing requirement under the SEBI ICDR Regulations.

The Floor Price shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares quoted on the Stock Exchanges during the two weeks preceding the Relevant Date. However, our Company may offer a discount of not more than 5% on the Floor Price in terms of Regulation 176 of the SEBI ICDR Regulations, as approved by our Shareholders pursuant to a special resolution passed by way of postal ballot on November 26, 2024.

After finalisation of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file the same with the Stock Exchanges as the Placement Document.

### ***Method of Allocation***

Our Company shall determine the Allocation in consultation with the Book Running Lead Managers on a discretionary basis and in compliance with Chapter VI of the SEBI ICDR Regulations.

Bids received from the Eligible QIBs at or above the Issue Price shall be grouped together to determine the total demand. The Allocation to all such Eligible QIBs will be made at the Issue Price. Allocation to Mutual Funds for up to a minimum of 10% of the Issue Size shall be undertaken subject to valid Bids being received at or above the Issue Price.

In case of cancellations or default by the Bidders, our Company, in consultation with the Book Running Lead Managers, has the right to reallocate the Equity Shares at the Issue Price among existing or new Bidders at their sole and absolute discretion subject to the applicable laws.

**THE DECISION OF OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS IN RESPECT OF ALLOCATION SHALL BE FINAL AND BINDING ON ALL ELIGIBLE QIBS. ELIGIBLE QIBS MAY NOTE THAT ALLOCATION OF EQUITY SHARES IS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR COMPANY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS AND ELIGIBLE QIBS MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AND PAID THE ENTIRE APPLICATION AMOUNT AT OR ABOVE THE ISSUE PRICE. NEITHER OUR COMPANY NOR THE BOOK RUNNING LEAD MANAGERS ARE OBLIGED TO ASSIGN ANY REASON FOR ANY NON-ALLOCATION.**

### **Confirmation of Allotment Notice or CAN**

Based on receipt of the serially numbered Application Forms and Application Amount, our Company, in consultation with the Book Running Lead Managers, in their sole and absolute discretion, shall decide the Successful Bidders to whom the serially numbered CAN shall be dispatched, pursuant to which the details of the Equity Shares Allocated to them, the Issue Price, the Application Amount paid and Refund Amount, if any, shall be notified to such Successful Bidders.

The Successful Bidders would also be sent a serially numbered Placement Document (which will include the names of the proposed Allottees along with the percentage of their post-Issue Shareholding in the Company) either in electronic form or by physical delivery.

The dispatch of the serially numbered CAN and the Placement Document (when dispatched), to the Eligible QIBs shall be deemed a valid, binding and irrevocable contract for the QIB to subscribe to the Equity Shares Allocated to such Successful Bidders at an aggregate price equivalent to the product of the Issue Price and Equity Shares Allocated to such Successful Bidders. Subsequently, our Board (or a duly constituted committee thereof) will approve the Allotment of the Equity Shares to the Allottees.

**Successful Bidders are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to the Issue.**

By submitting the Application Form, the Eligible QIB would have deemed to have made the representations and warranties as specified in the section titled “*Notice to Investors*” on page 3 and further that such Eligible QIB shall not undertake any trade on the Equity Shares credited to its Depository Participant account pursuant to the Issue until such time as the final listing and trading approval is issued by the Stock Exchanges.

### ***Designated Date and Allotment of Equity Shares***

Our Company will ensure that the Allotment of Equity Shares is completed by the Designated Date provided in the respective CANs, subject to the satisfaction of the terms and conditions of the Placement Agreement. The Equity Shares in the Issue will be issued and Allotment shall be made only in dematerialised form to the Allottees, in accordance with the SEBI ICDR Regulations. Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act. However, transfer of securities of listed companies in physical form is not permitted pursuant to Regulation 40 of the SEBI Listing Regulations.

Our Company, at its sole discretion, reserve the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever.

Following the Allotment and credit of Equity Shares into the QIBs' beneficiary accounts maintained with the Depository Participant, our Company will apply for final listing and trading approvals from the Stock Exchanges.

Pursuant to a circular dated March 5, 2010 issued by the SEBI, Stock Exchanges are required to make available on their websites the details of those Allottees in Issue who have been allotted more than 5% of the Equity Shares offered in the Issue, viz, the names of the Allottees, and number of Equity Shares Allotted to each of them, pre and post Issue shareholding pattern of our Company along with the Placement Document. Our Company shall make the requisite filings with the RoC within the stipulated period as required under the Companies Act and the PAS Rules. Further, as required in terms of the PAS Rules, names of the proposed Allottees and the percentage of their post-Issue shareholding in our Company is required to be disclosed in the Placement Document.

The Escrow Bank shall release the monies lying to the credit of the Escrow Account to our Company upon receipt of notice from the Book Running Lead Managers and the trading and listing approvals of the Stock Exchanges for Equity Shares offered in the Issue and after filing return of Allotment under Form PAS-3 with the RoC, whichever is later.

After finalization of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file the same with the Stock Exchanges as the Placement Document.

## **Refunds**

In the event that the number of Equity Shares Allocated to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, or the Application Amount paid by a Bidder is in excess of the amount equivalent to the product of the Equity Shares that have been Allocated to such Bidder and the Issue Price, or a Bidder withdraws the Application Form prior to the Issue Closing Date, or the Issue is cancelled prior to Allocation, the excess Application Amount paid by such Bidder will be refunded to the same bank account from which the Application Amount was remitted, in the form and manner set out in the Refund Intimation/CAN (as applicable). The Refund Amount will be transferred to the relevant Bidders within two Working Days from the date of issuance of the CAN.

In the event that Equity Shares have been Allocated to Successful Bidders and our Company is unable to issue and Allot the Equity Shares offered in the Issue within 60 days from the date of receipt of the Application Amount, or the Issue is cancelled post Allocation, or where our Company has Allotted the Equity Shares but final listing and trading approvals are refused by the Stock Exchanges, our Company shall repay the Application Amount within 15 days from expiry of 60 days or such other time period as applicable under applicable law, failing which our Company shall repay that money with interest at such rate and in such manner as prescribed under the Companies Act.

We, at our sole discretion, reserve the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever. Following the Allotment and credit of Equity Shares into the Eligible QIBs' Depository Participant accounts, we will apply for final trading and listing approvals from the Stock Exchanges. In the event of any delay in the Allotment or credit of Equity Shares, or receipt of trading or listing approvals or cancellation of the Issue, no interest or penalty would be payable by us.

## **Other instructions**

### ***Right to reject applications***

Our Company, in consultation with the Book Running Lead Managers, may reject Bids, in part or in full, without assigning any reason whatsoever. The decision of our Company in consultation with the Book Running Lead Managers in relation to the rejection of Bids shall be final and binding. In the event the Bid is rejected by our

Company, the Application Amount paid by the bidder shall be refunded to the same bank account from which the Application Amount was remitted by such Bidder. For details, please refer to “*Bid Process*” and “*Refund*” above.

***Equity Shares in dematerialized form with NSDL or CDSL***

The Allotment of the Equity Shares in this Issue shall be only in dematerialised form (i.e., not in physical certificates but be fungible and be represented by the statement issued through the electronic mode).

An Eligible QIB applying for Equity Shares to be issued pursuant to the Issue must have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid. Equity Shares Allotted to a successful QIB will be credited in electronic form directly to the specified beneficiary account (with the Depository Participant) of the QIB, as indicated in the Application Form.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges have electronic connectivity with NSDL and CDSL.

The trading of the Equity Shares to be issued pursuant to the Issue would be in dematerialised form only for all QIBs in the demat segment of the respective Stock Exchanges.

Our Company and the Book Running Lead Managers will not be responsible or liable for the delay in the credit of Equity Shares to be issued pursuant to the Issue due to errors in the Application Form or otherwise on the part of the QIBs.

**Release of funds to our Company**

The Escrow Bank shall not release the monies lying to the credit of the “**SENCO GOLD LIMITED QIP ESCROW ACCOUNT**” to our Company until receipt of notice from the Book Running Lead Managers, the trading and listing approvals of the Stock Exchanges for Equity Shares offered in the Issue and filing of return of Allotment under Form PAS-3 with the RoC, whichever is later.

## PLACEMENT AND LOCK-UP

No assurance can be given as to the liquidity or sustainability of the trading market for the Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares.

### Placement Agreement

The Book Running Lead Managers and our Company have entered into the Placement Agreement dated December 10, 2024 (“**Placement Agreement**”), pursuant to which the Book Running Lead Managers have agreed, subject to certain conditions, to use its reasonable efforts to place the Equity Shares with Eligible QIBs to subscribe to such number of our Equity Shares as may be agreed among our Company and the Book Running Lead Managers, pursuant to Chapter VI of the SEBI ICDR Regulations, the Companies Act read with Rule 14 of the PAS Rules, and other applicable provisions of the Companies Act and the rules made thereunder.

The Placement Agreement contains customary representations and warranties, as well as indemnity from our Company and the Issue is subject to the satisfaction of certain conditions and subject to the termination of the Placement Agreement in accordance with the terms contained therein.

Applications shall be made to list the Equity Shares issued pursuant to this Issue and admit them to trading on the Stock Exchanges.

This Preliminary Placement Document has not been and will not be filed as a prospectus with the RoC, and no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than Eligible QIBs.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act, or the securities laws of any state of the United States and may not be offered or sold in 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 any applicable state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in “offshore transactions” as defined in, and in reliance on, Regulation S and the applicable laws of the jurisdictions where such offers and sales are made. The Equity Shares are transferable only in accordance with the restrictions described in the sections titled “*Selling Restrictions*” and “*Purchaser Representations and Transfer Restrictions*” on pages 277 and 285, respectively.

### Relationship with the Book Running Lead Managers

In connection with the Issue, the Book Running Lead Managers (and their respective affiliates) may, for their own account, subscribe to the Equity Shares or enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares to be offered pursuant to the Issue at the same time as the offer and subscription or sale of the Equity Shares, or in secondary market transactions. As a result of such transactions, the Book Running Lead Managers and their respective affiliates may hold long or short positions in such Equity Shares. These transactions may comprise a substantial portion of the Issue and no specific disclosure will be made of such positions. The affiliates of the Book Running Lead Managers may purchase Equity Shares and be Allotted Equity Shares for proprietary purposes and not with a view to distribute or in connection with the issuance of P-Notes. For further details, please refer to the section titled “*Representations by Investors*” and “*Offshore Derivative Instruments*” on page 7 and 13, respectively.

From time to time, the Book Running Lead Managers, their respective affiliates and associates have been engaged in or may in the future engage in transactions with and perform services, in the ordinary course of business, including but not limited to investment banking, advisory, commercial banking, trading services for our Company, our Subsidiaries, affiliates and the Shareholders, pursuant to which fees and commissions have been paid or will be paid to the Book Running Lead Managers and their respective affiliates and associates.

### Lock-up

Under the Placement Agreement, our Company undertakes that it will not for a period of 120 days from the date of Allotment under the Placement, without the prior written consent of the Book Running Lead Managers, directly or indirectly: (a) issue, offer, sell, lend, pledge, contract to sell, sell any option or contract to purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose off, directly or indirectly, any Equity Shares, or any securities convertible into or exercisable or exchangeable for Equity

Shares or publicly announce an intention with respect to any of the foregoing; (b) enter into any swap or other agreement that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares; or (c) deposit Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares or which carry the right to subscribe to or purchase Equity Shares or which carry the right to subscribe to or purchase Equity Shares in depository receipt facilities or enter into any such transactions (including a transaction involving derivatives) having an economic effect similar to that of a sale or deposit of Equity Shares in any depository receipt facility; or (d) publicly announce any intention to enter into any transaction whether any such transaction described in a), b) or c) above is to be settled by delivery of Equity Shares, or such other securities, in cash or otherwise; provided however that the foregoing restrictions will not be applicable to (i) the issuance of any Equity Shares; (ii) any grant of options by the Company under the Employee Stock Option Schemes; (iii) any issue or allotment of the Equity Shares by the Company pursuant to the exercise of any options awarded under the Employee Stock Option Schemes; and (iv) any issue or offer of Equity Shares by the Company, to the extent such issue or offer is: (a) required to be undertaken pursuant to Applicable Law; or (b) required to be undertaken pursuant to the instructions, orders or guidelines as may be issued by the Government of India or an undertaking of the Government of India or such other authority acting on its behalf, in each case with the requisite authority to issue such instructions, orders or guidelines, as the case may be.

Subject to the exceptions set out herein, our Promoters and members of the Promoter Group undertake that they will not for a period from the date of the Placement Agreement up to 120 days from the Closing Date (the “**Lock-up Period**”, without the prior written permission of the Book Running Lead Manager, directly or indirectly: (a) issue, offer, sell, lend, pledge, contract to sell, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose off, directly or indirectly, any Equity Shares, or any securities convertible into or exercisable or exchangeable for Equity Shares or publicly announce an intention with respect to any of the foregoing; (b) enter into any swap or other agreement that transfers, directly or indirectly, in whole or in part, any of the economic consequences associated with the ownership of any of the Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares (regardless of whether any of the transactions described in this clause (b) is to be settled by the delivery of the Equity Shares or such other securities, in cash or otherwise); or (c) sell, lend, contract to sell any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of directly or indirectly, any shares or interest in an entity which holds any lock-up shares; (d) deposit Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares or which carry the right to subscribe to or purchase Equity Shares or which carry the right to subscribe to or purchase Equity Shares in depository receipt facilities or enter into any such transactions (including a transaction involving derivatives) having an economic effect similar to that of a sale or deposit of Equity Shares in any depository receipt facility; or (e) publicly announce any intention to enter into any transaction whether any such transaction described in a), b) or c) above is to be settled by delivery of Equity Shares, or such other securities, in cash or otherwise; provided however that the foregoing restrictions will not be applicable to (i) pledge or mortgage of the Equity Shares already existing on the date of the Placement Agreement or transfer of such existing pledge or mortgage; (ii) the issuance of any Equity Shares; and (iii) any issue or offer of Equity Shares by the Company, to the extent such issue or offer is: (a) required to be undertaken pursuant to Applicable Law; or (b) required to be undertaken pursuant to the instructions, orders or guidelines as may be issued by the Government of India or an undertaking of the Government of India or such other authority acting on its behalf, in each case with the requisite authority to issue such instructions, orders or guidelines, as the case may be (iv) any bona fide pledge or non-disposal undertaking of any of the Equity Shares held by the undersigned as collateral for loans on normal commercial terms entered or to be entered into in the ordinary course of business of the undersigned, the Company or transfer of any of the promoter and promoter group shares to any third party pursuant to the invocation of any pledge in relation to the Equity Shares (v) any inter group transfer made to any entities promoted by the Promoter (“**Promoter Group Entities**”), subject to compliance with applicable laws and subject to observance by the transferee Promoter Group Entities of the foregoing restrictions on transfer of promoter shares until the expiry of the Lock-up Period.

## SELLING RESTRICTIONS

### General

The Issue is being made only to Eligible QIBs through a QIP, in reliance upon Chapter VI of the SEBI ICDR Regulations and the Companies Act.

The distribution of this Preliminary Placement Document and the offer and sale of the Equity Shares offered in the Issue is restricted by law in certain jurisdictions. This Preliminary Placement Document may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised. Except for in India, no action has been taken or will be taken that would permit the offer and sale of the Equity Shares offered in the Issue to occur in any jurisdiction other than India, or the possession, circulation or distribution of this Preliminary Placement Document or any other material relating to the Issue in any jurisdiction where action for such purpose is required, except in India. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Preliminary Placement Document nor any offering materials or advertisements in connection with or other material relating to the Issue may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. Therefore, persons who may come into possession of this Preliminary Placement Document are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions.

Each purchaser of the Equity Shares in this Issue will be deemed to have made the representations, warranties, acknowledgments and agreements as described in this section and under the sections titled “*Notice to Investors*”, “*Representations by Investors*” and “*Purchaser Representations and Transfer Restrictions*” on pages 3, 7 and 285, respectively.

### Republic of India

This Preliminary Placement Document may not be distributed directly or indirectly in India or to residents of India and any Equity Shares may not be offered or sold directly or indirectly in India to, or for the account or benefit of, any resident of India except as permitted by applicable Indian laws and regulations, under which an offer is strictly on a private and confidential basis and is limited to Eligible QIBs and is not an offer to the public. This Preliminary Placement Document has not been and will not be filed as a prospectus with the RoC and will not be circulated or distributed to the public in India or any other jurisdiction and will not constitute a public offer in India or any other jurisdiction.

### Australia

This Preliminary Placement Document is not a disclosure document or a prospectus under Chapter 6D.2 of the Corporations Act 2001 (Cth) (“**Corporations Act**”) and has not been lodged with the Australian Securities and Investments Commission and it does not purport to include the information required of a disclosure document under Chapter 6D.2 of the Corporations Act.

No offer will be made under this Preliminary Placement Document to investors to whom disclosure is required to be made under Chapter 6D of the Corporations Act. Each purchaser of the Equity Shares offered in the Issue in Australia shall be deemed to represent and warrant that it is either a “sophisticated investor” or a “professional investor” within the meaning of those terms in the Corporations Act.

The Equity Shares acquired in the Issue in Australia must not be offered for sale in Australia in the period of 12 months after the date of the Allotment, except in circumstances where disclosure to investors under Chapter 6D of the Corporations Act would not be required pursuant to an exemption under Section 708 of the Corporations Act or otherwise or where the offer is pursuant to a disclosure document that complies with Chapter 6D of the Corporations Act. Each purchaser of the Equity Shares offered in the Issue in Australia shall be deemed to undertake to our Company that it will not, for a period of 12 months from the date of issue of the Equity Shares, offer, transfer, assign or otherwise alienate those Equity Shares to investors in Australia except in circumstances where disclosure to investors is not required under Chapter 6D.2 of the Corporations Act or where or where the offer is pursuant to a disclosure document that complies with Chapter 6D of the Corporations Act.

## **British Virgin Islands**

The Equity Shares are not being and may not be offered to the public or to any person in the British Virgin Islands for purchase or subscription by or on our behalf. The Equity Shares may be offered to companies incorporated under the BVI Business Companies Act, 2004 (British Virgin Islands) (each a “BVI Company”), but only where the offer will be made to, and received by, the relevant BVI Company entirely outside of the British Virgin Islands.

This Preliminary Placement Document has not been, and will not be, registered with the Financial Services Commission of the British Virgin Islands. No registered document has been or will be prepared in respect of the Equity Shares for the purposes of the Securities and Investment Business Act, 2010 or the Public Issuers Code of the British Virgin Islands.

## **Cayman Islands**

No offer or invitation to subscribe for Equity Shares may be made to the public in the Cayman Islands to subscribe for any of the Equity Shares but an invitation or offer may be made to sophisticated persons (as defined in the Cayman Islands Securities Investment Business Act (the “SIBA”), high net worth persons (as defined in the SIBA) or otherwise in accordance with the SIBA. This Preliminary Placement Document does not constitute an invitation or offer to the public in the Cayman Islands of the Equity Shares, whether by way of sale or subscription. The Equity Shares are not being offered or sold, and will not be offered or sold, directly or indirectly, to the public in the Cayman Islands.

## **People’s Republic of China**

This Preliminary Placement Document may not be circulated or distributed in the People’s Republic of China (excluding, for the purposes of this paragraph, the Hong Kong and Macau Special Administrative Regions and Taiwan Province) and the Equity Shares may not be offered or sold directly or indirectly to any resident of the People’s Republic of China, or offered or sold to any person for reoffering or re-sale directly or indirectly to any resident of the People’s Republic of China.

## **European Economic Area**

In relation to each Member State of the European Economic Area (each a “**Relevant State**”), no Equity Shares have been offered or will be offered pursuant to the Issue to the public in that Relevant State prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, except that the Company may make an offer to the public in that Relevant State of any Equity Shares at any time:

1. to any legal entity which is a qualified investor as defined under Article 2 of the Prospectus Regulation;
2. to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the Prospectus Regulation), subject to obtaining the prior consent of the placement agent for any such offer; or
3. in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

Provided that no such offer of the Equity Shares shall require the Company or placement agent to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation. For the purposes of this provision, the expression an “offer to the public” in relation to the Equity Shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Equity Shares, and the expression “Prospectus Regulation” means Regulation (EU) 2017/1129 and includes any delegated regulations.

## **Hong Kong**

The Equity Shares have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “SFO”) and any rules made under the SFO; or (b) in other circumstances which do not result

in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the “**CWUMPO**”) or which do not constitute an offer to the public within the meaning of the CWUMPO.

No advertisement, invitation or document relating to the Equity Shares has been or will be issued for the purposes of the issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong), other than with respect to Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under the SFO.

## **Japan**

The Equity Shares have not been and will not be registered under the Financial Instruments and Exchange Act (Act No. 25 of 1948 as amended) of Japan (the “**FIEA**”) and disclosure under the FIEA has not been and will not be made with respect to the Equity Shares. No Equity Shares have, directly or indirectly, been offered or sold, and may not, directly or indirectly, be offered or sold in Japan or to, or for the benefit of, any resident of Japan as defined in Article 6, Paragraph 1, Item 5 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949 as amended) of Japan (a “**Japanese Resident**”) or to others for re-offering or re-sale, directly or indirectly in Japan or to, or for the benefit of, any Japanese Resident except (i) pursuant to an exemption from the registration requirements of the FIEA and (ii) in compliance with any other relevant laws, regulations and governmental guidelines of Japan.

In an offering of Equity Shares in Japan or to, or for the benefit of, a Japanese Resident, if an offeree does not fall under a “qualified institutional investor” (*tekikaku kikan toshika*), as defined in Article 2, Paragraph 3, Item 1 of the FIEA and Article 10, Paragraph 1 of the Cabinet Office Order on Definitions under Article 2 of the Financial Instruments and Exchange Act (Order of the Ministry of Finance No. 14 of 1993) of Japan (a “**Qualified Institutional Investor**”), Equity Shares will be offered to such offeree by a private placement to small number of investors (*shoninzu muke kan'yu*), as provided under Article 23-13, Paragraph 4 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made.

In an offering of Equity Shares in Japan or to, or for the benefit of, a Japanese Resident, if an offeree falls under a Qualified Institutional Investor, Equity Shares will be offered to such offeree by a private placement to Qualified Institutional Investors (*tekikaku kikan toshika muke kan'yu*), as provided under Article 23-13, Paragraph 1 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made. To subscribe for any Equity Shares, such offeree will be required to agree that it will be prohibited from selling, assigning, pledging or otherwise transferring any of such Equity Shares other than to another Qualified Institutional Investor.

## **Republic of Korea**

The Equity Shares have not been and will not be registered under the Financial Investments Services and Capital Markets Act of Korea and the decrees and regulations thereunder (the “**FSCMA**”), and the Equity Shares have been and will be offered in Korea as a private placement under the FSCMA. None of the Equity Shares may be offered, sold or delivered directly or indirectly, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to the applicable laws and regulations of Korea, including the FSCMA and the Foreign Exchange Transaction Law of Korea and the decrees and regulations thereunder (the “**FETL**”). Furthermore, the purchaser of the Equity Shares shall comply with all applicable regulatory requirements (including but not limited to requirements under the FETL) in connection with the purchase of the Equity Shares. By the purchase of the Equity Shares, the relevant holder thereof will be deemed to represent and warrant that if it is in Korea or is a resident of Korea, it purchased the Equity Shares pursuant to the applicable laws and regulations of Korea.

## **Malaysia**

No prospectus or other offering material or document in connection with the offer and sale of the Equity Shares has been or will be registered with the Securities Commission of Malaysia (“**Commission**”) for the Commission’s approval pursuant to the Capital Markets and Services Act 2007. Accordingly, this Preliminary Placement

Document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Equity Shares may not be circulated or distributed, nor may the Equity Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Malaysia other than (i) a closed end fund approved by the Commission; (ii) a holder of a Capital Markets Services Licence; (iii) a person who acquires the Equity Shares, as principal, if the offer is on terms that the Equity Shares may only be acquired at a consideration of not less than RM250,000 (or its equivalent in foreign currencies) for each transaction; (iv) an individual whose total net personal assets or total net joint assets with his or her spouse exceeds RM3 million (or its equivalent in foreign currencies), provided that the net value of the primary residence of the individual (with his or her spouse) contribute not more than RM1 million of the total net assets; (v) an individual who has a gross annual income exceeding RM300,000 (or its equivalent in foreign currencies) per annum in the preceding twelve months; (vi) an individual who, jointly with his or her spouse, has a gross annual income of RM400,000 (or its equivalent in foreign currencies), per annum in the preceding twelve months; (vii) a corporation with total net assets exceeding RM10 million (or its equivalent in a foreign currencies) based on the last audited accounts; (viii) a partnership with total net assets exceeding RM10 million (or its equivalent in foreign currencies); (ix) a bank licensee or insurance licensee as defined in the Labuan Financial Services and Securities Act 2010; (x) an Islamic bank licensee or takaful licensee as defined in the Labuan Financial Services and Securities Act 2010; and (xi) any other person as may be specified by the Commission; provided that, in the each of the preceding categories (i) to (xi), the distribution of the Equity Shares is made by a holder of a Capital Markets Services Licence who carries on the business of dealing in securities. The distribution in Malaysia of this Preliminary Placement Document is subject to Malaysian laws. This Preliminary Placement Document does not constitute and may not be used for the purpose of public offering or an issue, offer for subscription or purchase, invitation to subscribe for or purchase any securities requiring the registration of a prospectus with the Commission under the Capital Markets and Services Act 2007.

### **Mauritius**

The Equity Shares may not be offered or sold, directly or indirectly, to the public in Mauritius. Neither this Preliminary Placement Document nor any offering material or information contained herein relating to the offer of the Equity Shares may be released or offered to the public in Mauritius or used in connection with any such offer. This Preliminary Placement Document does not constitute an offer to sell the Equity Shares to the public in Mauritius and is not a prospectus as defined under the Securities Act 2005.

The Mauritius Financial Services Commission (the “FSC”) does not assume any responsibility for the contents of this Preliminary Placement Document and makes no representation as to the accuracy or completeness of any of the statements made or opinions expressed in this Preliminary Placement Document and expressly disclaims any liability whatsoever for any loss arising from or in reliance upon the whole or any part thereof. The FSC does not vouch for the financial soundness of the Issuer or for the correctness of any statements made or opinions expressed with regard to it.

### **Sultanate of Oman**

The information contained in this Preliminary Placement Document does not constitute an offer of securities in Oman as contemplated by the Commercial Companies Law (Royal Decree 18/2019) or the Securities Law (Royal Decree 46/2022) or the Executive Regulations of the Capital Market Law (Decision No. 1/2009, as amended) or an offer to sell or the solicitation of any offer to buy non-Omani securities in Oman.

This Preliminary Placement Document and the Equity Shares to which it relates may not be advertised, marketed, distributed or otherwise made available to any person in Oman without the prior consent of the Oman Capital Market Authority (“CMA”) (or its successor, the Financial Services Authority (“FSA”), and any reference to the CMA shall include the reference to the FSA in accordance with Royal Decree 20/2024) and then only in accordance with any terms and conditions of such consent. In connection with the offering of Equity Shares, no prospectus has been filed with the CMA (or any successor entity thereof, such as the FSA). The offering and sale of Equity Shares described in the Preliminary Placement Document will not take place inside Oman. The Preliminary Placement Document is strictly private and confidential and is being issued to a limited number of sophisticated investors, and may neither be reproduced, used for any other purpose, nor provided to any person other than the intended recipient hereof.

Additionally, this Preliminary Placement Document is not intended to lead to the making of any contract within the territory or under the laws of Oman.

The CMA (or any successor entity thereof, such as the FSA) takes no responsibility for the accuracy of the statements and information contained in this Preliminary Placement Document or for the performance of the Company with respect to the Equity Shares, nor shall it have any liability to any person for damage or loss resulting from reliance on any statement or information contained herein.

#### **Qatar (excluding the Qatar Financial Centre)**

This Preliminary Placement Document did not, and was not intended to, constitute an invitation or an offer of securities in the State of Qatar (including the Qatar Financial Centre) and accordingly should not be construed as such. The Equity Shares have not been, and shall not be, offered, sold or delivered at any time, directly or indirectly, in the State of Qatar. Any offering of the Equity Shares shall not constitute a public offer of securities in the State of Qatar.

By receiving this document, the person or entity to whom it has been provided to understands, acknowledges and agrees that: (a) neither this Preliminary Placement Document nor the Equity Shares have been registered, considered, authorised or approved by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority or any other authority or agency in the State of Qatar; (b) neither the Company nor the Lead Manager are authorised or licensed by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority, or any other authority or agency in the State of Qatar, to market or sell the Equity Shares within the State of Qatar; (c) this Preliminary Placement Document may not be provided to any person other than the original recipient and is not for general circulation in the State of Qatar; and (d) no agreement relating to the sale of the Equity Shares shall be consummated within the State of Qatar.

No marketing of the Equity Shares has been or will be made from within the State of Qatar and no subscription to the Equity Shares may or will be consummated within the State of Qatar. Any applications to invest in the Equity Shares shall be received from outside of Qatar. This Preliminary Placement Document shall not form the basis of, or be relied on in connection with, any contract in Qatar. The persons representing the Lead Manager are, by distributing this document, not advising individuals resident in the State of Qatar as to the appropriateness of investing in or purchasing or selling securities or other financial products. Nothing contained in this Preliminary Placement Document is intended to constitute investment, legal, tax, accounting or other professional advice in, or in respect of, the State of Qatar.

#### **Qatar Financial Centre**

Nothing in this Preliminary Placement Document is intended to constitute, shall be treated as constituting or shall be deemed to constitute, any offer or sale of securities in the State of Qatar or in the Qatar Financial Centre or the inward marketing of securities or an attempt to do business, as a bank, an investment company or otherwise in the State of Qatar or in the Qatar Financial Centre other than in compliance with any laws applicable in the State of Qatar or in the Qatar Financial Centre governing the issue, offering and sale of securities under the laws of the State of Qatar and the Qatar Financial Centre.

This Preliminary Placement Document and any underlying instruments or securities have not been and will not be filed with, reviewed or approved by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Exchange or any other relevant Qatar governmental body or securities exchange. The Company has not been authorised or licenced by any Qatari governmental body or regulator to market, offer or sell the Equity Shares in the State of Qatar or in the Qatar Financial Centre.

This Preliminary Placement Document is strictly private and confidential. This Preliminary Placement Document is provided on an exclusive basis to the specifically intended recipient of such document, upon that person's request and initiative, and for the recipient's personal use only. It is being distributed to a limited number of qualified investors and must not be provided to any person other than the original recipient. It is not for general circulation in the State of Qatar or the Qatar Financial Centre and may not be reproduced or used for any other purpose. Any distribution of this document by the recipient to third parties in the State of Qatar or the Qatar Financial Centre is not authorised and shall be at the liability of such recipient.

Recourse against the Company and/or its affiliates may be limited or difficult and may have to be pursued in a jurisdiction outside the State of Qatar and/or the Qatar Financial Centre.

## Singapore

This Issue is made in reliance on the exemption under sections 274 and 275(1) and (1A) of the Securities and Futures Act 2001, of Singapore as modified and amended from time to time (the “SFA”). It is not made in or accompanied by a prospectus that is registered by the Monetary Authority of Singapore (the “MAS”). This Preliminary Placement Document has not been registered as a prospectus with the MAS. Accordingly, this Preliminary Placement Document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of any Equity Shares, whether directly or indirectly, to persons in Singapore other than (a) to an institutional investor (as defined in Section 4A of the SFA, or (b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA.

It is a condition of the Issue that where the Equity Shares are subscribed for or acquired pursuant to an offer made in reliance on sections 274 or 275 of the SFA by a relevant person which is:

- (i) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (ii) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, securities or securities-based derivatives contracts (each term as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six (6) months after that corporation or that trust has acquired the Equity Shares pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person defined in section 275(2) of the SFA, or (in the case of such corporation) where the transfer arises from an offer referred to in section 276(3)(c)(ii) of the SFA or (in case of a trust) where the transfer arises from an offer referred to in section 276(4)(c)(ii) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

## Switzerland

The Equity Shares may not be publicly offered in Switzerland and are not and will not be listed or admitted to trading on the SIX Swiss Exchange (“SIX”) or on any other stock exchange or regulated trading venue in Switzerland. Neither this Preliminary Placement Document, any other offering or marketing material relating to the Equity Shares offered hereby nor this Issue constitutes or fulfils the requirements of a prospectus in accordance with Articles 35 et seq. of the Swiss Financial Services Act of 15 June 2018, as amended (“FinSA”) and Articles 43 et seq. of the underlying regulations of the Swiss Financial Services Ordinance of 6 November 2019, as amended (“FinSO”) or in accordance with Articles 27 et seq. of the SIX Listing Rules of 23 August 2023, as amended (“SIX Listing Rules”) or the respective listing rules of any other stock exchange or regulated trading venue in Switzerland. Neither this Preliminary Placement Document, any other offering or marketing material relating to the Equity Shares offered hereby nor this Issue may be distributed, directly or indirectly, or otherwise made available in or into Switzerland in a manner which would require the publication of a prospectus in accordance with the regulations of the FinSA and the FinSO.

Neither this Preliminary Placement Document, any other offering or marketing material relating to the Equity Shares offered hereby, this Issue nor the Issuer have been or will be filed with or reviewed by a prospectus review body licensed by the Swiss Financial Market Supervisory Authority (“FINMA”). In particular, this Issue is not and will not be supervised by, the FINMA, and is not and will not be authorized in accordance with the Swiss Federal Act on Collective Investment Schemes of 23 June 2006, as amended (“CISA”). Accordingly, no such

protection is provided. In particular, the investor protection afforded to acquirers of interests in collective investment schemes within the meaning of the CISA does not extend to acquirers of the Equity Shares.

### **United Arab Emirates (excluding the Dubai International Financial Centre)**

This Preliminary Placement Document does not constitute or contain an offer of securities to the general public in the United Arab Emirates (the “**UAE**”). No offering, marketing, promotion, advertising or distribution (together, “**Promotion**”) of this Preliminary Placement Document or the Equity Shares may be made to the general public in the UAE unless: (a) such Promotion has been approved by the UAE Securities and Commodities Authority (the “**SCA**”) and is made in accordance with the laws and regulations of the UAE, including SCA Board of Directors’ Decision No. (13/R.M) of 2021 (the “**Rulebook**”), and is made by an entity duly licensed to conduct such Promotion activities in the UAE; or (b) such Promotion is conducted under one of the exemptions from licensing set out in the Rulebook or otherwise in accordance with the laws and regulations of the UAE. None of the SCA, the UAE Central Bank, the UAE Ministry of Economy or any other regulatory authority in the UAE has reviewed or approved the contents of this Preliminary Placement Document nor does any such entity accept any liability for the contents of this Preliminary Placement Document.

### **Dubai International Financial Centre**

This Preliminary Placement Document relates to an Exempt Offer in accordance with the Markets Rules (MKT) Module of the Dubai Financial Services Authority (“**DFSA**”) Rulebook. This Preliminary Placement Document is intended for distribution only to persons of a type specified in the Markets Rules Module of the DFSA Rulebook. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this Preliminary Placement Document nor taken steps to verify the information set forth herein and has no responsibility for this Preliminary Placement Document. The securities to which this Preliminary Placement Document relates may be illiquid and/ or subject to restrictions on their resale. Prospective purchasers of the securities offered may be required to bear the financial risks of this investment for an indefinite period of time and should conduct their own due diligence on the securities. If you do not understand the contents of this Preliminary Placement Document, you should consult an authorized financial advisor. In relation to its use in the DIFC, this Preliminary Placement Document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the securities may not be offered or sold directly or indirectly to the public in the DIFC.

### **United Kingdom**

No Equity Shares have been offered or will be offered pursuant to the Issue to the public in the United Kingdom prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the FCA, except that the Equity Shares may be offered to the public in the United Kingdom at any time:

1. to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;
2. to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the Lead Manager for any such offer; or
3. in any other circumstances falling within Section 86 of the FSMA.

For the purposes of this provision, the expression an “offer to the public” in relation to the Equity Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Equity Shares and the expression “UK Prospectus Regulation” means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended).

### **United States**

The Equity Shares offered in this Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and, unless so registered, may not be offered or sold within

the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. The Equity Shares are being offered and sold only outside the United States in “offshore transactions” as defined in, and in compliance with, Regulation S and the applicable laws of the jurisdictions where those offers and sales are made. For further information, see sections entitled “*Representations By Investors*” and “*Purchaser Representations and Transfer Restrictions*” on pages 7 and 285, respectively.

#### **Other Jurisdictions**

The distribution of this Preliminary Placement Document and the offer and sale of the Equity Shares may be restricted by law in certain jurisdictions. Persons into whose possession this Preliminary Placement Document comes are required to inform themselves about, and to observe, any such restrictions to the extent applicable.

## PURCHASER REPRESENTATIONS AND TRANSFER RESTRICTIONS

*Due to the following restrictions, investors are advised to consult their legal counsel prior to subscribing for Equity Shares offered in the Issue or making any resale, pledge or transfer of the Equity Shares purchased in the Issue.*

*Pursuant to Chapter VI of the SEBI ICDR Regulations, the Equity Shares Allotted in the Issue are not permitted to be sold for a period of one year from the date of Allotment, except on floor of the BSE or the NSE. Due to the following restrictions, investors are advised to consult their respective legal counsels prior to Bidding for the Equity Shares or making any offer, resale, pledge or transfer of the Equity Shares, except if the resale of the Equity Shares is by way of a regular sale on the BSE or the NSE. In addition to the above, allotments made to Eligible QIBs, including VCFs and AIFs, in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirements. VCFs and AIFs should independently consult their own counsel and advisors as to an investment in the Equity Shares and related matters concerning the Issue. For more information, please refer to the section titled “Selling Restrictions” on page 277.*

*Additionally, in accordance with the FDI Policy, read along with the press note no. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India and the related amendments to the FEMA Rules, wherein if the beneficial owner of the Securities is situated in or is a citizen of a country which shares land border with India, foreign direct investments can only be made through the Government approval route, as prescribed in the FEMA Rules. Further, the Bidders need to confirm that no government approval is required under the FEMA Rules, as mandated under the Companies (Share Capital and Debentures) Rules, 2014 and the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended.*

The Equity Shares have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws.

By accepting delivery of this Preliminary Placement Document, submitting a bid to purchase the Equity Shares and/or accepting delivery of Equity Shares, you will be deemed to have represented and agreed as follows:

- It is authorised to consummate the purchase of the Equity Shares in compliance with all applicable laws and regulations and will comply with all laws, regulations and restrictions (including the selling restrictions contained in this Preliminary Placement Document) which may be applicable in its jurisdiction and it has obtained or will obtain any consent, approval or authorization required for it to purchase and accept delivery of Equity Shares, and it acknowledges and agrees that none of our Company or the Book Running Lead Manager and its respective affiliates shall have any responsibility in this regard.
- It acknowledges (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer acknowledges) that the Equity Shares are being issued in “offshore transactions” as defined in, and in compliance with, Regulation S, and such Equity Shares have not been and will not be registered under the U.S. Securities Act.
- It certifies that either (A) it is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares and is located outside the United States (within the meaning of Regulation S), and it has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States, or (B) it is a broker-dealer acting on behalf of its customer and its customer has confirmed to it that (i) such customer is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, (ii) such customer is located outside the United States (within the meaning of Regulation S), and (iii) such customer has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States.
- It is aware of the restrictions of the offer, sale and resale of the Equity Shares pursuant to Regulation S.
- It agrees (or it is a broker-deal acting on behalf of a customer that has confirmed to it that such customer agrees) that neither it, nor any of its affiliates, nor any person acting on its behalf, will make any “directed selling efforts” as defined in Regulation S. It acknowledges and agrees that it is not purchasing any Equity

Shares as a result of any “directed selling efforts” as defined in Regulation S

- It understands and agrees (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer understands and agrees) that the Equity Shares are being offered in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act, that the Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and that if in the future it decides to offer, resell, pledge or otherwise transfer any of the Equity Shares, such Equity Shares may be offered, resold, pledged or otherwise transferred in compliance with the U.S. Securities Act and other applicable securities laws only outside the United States in a transaction complying with the provisions of Rule 903 or Rule 904 of Regulation S or in a transaction otherwise exempt from the registration requirements of the U.S. Securities Act and, in each case, in accordance with all applicable securities laws of the states of the United States and any other jurisdictions in which such offers or sales are made.
- It is a sophisticated investor and has such knowledge and experience in financial, business and investments as to be capable of evaluating the merits and risks of the investment in the Equity Shares. It is experienced in investing in private placement transactions of securities of companies in a similar stage of development and in similar jurisdictions. It and any accounts for which it is subscribing to the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to our Company or the Book Running Lead Manager for all or part of any such loss or losses that may be suffered, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) is seeking to subscribe to the Equity Shares in this Issue for investment purposes and not with a view to resell or distribute them and it has no reason to anticipate any change in its circumstances, financial or otherwise, which may cause or require any sale or distribution by it of all or any part of the Equity Shares, (v) have no need for liquidity with respect to the investment in the Equity Shares, and (vi) have no reason to anticipate any change in its or their circumstances, financial or otherwise, which may cause or require any sale or distribution by it or them of all or any part of the Equity Shares. It acknowledges that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment. It is seeking to subscribe to the Equity Shares in this Issue for its own investment and not with a view to distribution. It acknowledges that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment.
- It has been provided access to this Preliminary Placement Document and will be provided access to the Placement Document which it has read in its entirety.
- It agrees to indemnify and hold our Company and the Book Running Lead Manager harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations and warranties. It will not hold our Company or the Book Running Lead Manager liable with respect to its investment in the Equity Shares. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares.
- Where it is subscribing to the Equity Shares for one or more managed accounts, it represents and warrants that it is authorised in writing, by each such managed account to subscribe to the Equity Shares for each managed account and to make (and it hereby makes) the acknowledgements and agreements herein for and on behalf of each such account, reading the reference to “it” to include such accounts.
- It agrees that any resale or other transfer, or attempted resale or other transfer, of the Equity Shares made other than in compliance with the above-stated restrictions shall not be recognised by our Company.

If such person is a dealer (as such term is defined under the U.S. Securities Act), it may not resell the Equity Shares in the United States prior to 40 days from the commencement of the offering of the Equity Shares. It acknowledges that our Company and the Book Running Lead Manager and its respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations or agreements is no longer accurate, it will promptly notify our Company and the Book Running Lead Manager. It agrees that the terms and provisions of the foregoing acknowledgements, representations and agreements shall inure to the benefit of and any document incorporating such acknowledgements, representations and agreements shall be enforceable by our Company, its successors and its permitted assigns, and the terms and provisions hereof shall be binding on its permitted successors in title, permitted assigns and permitted transferees. It understands that these acknowledgments, representations and

undertakings are required in connection with United States securities laws and irrevocably authorizes our Company to produce these acknowledgments, representations and undertakings (or any document incorporating them) to any interested party in any administrative or legal proceedings or official enquiry with respect to the matters covered herein.

## THE SECURITIES MARKET OF INDIA

*The information in this section has been extracted from documents available on the website of SEBI and the Stock Exchanges and has not been prepared or independently verified by our Company or the Book Running Lead Managers or any of their respective affiliates or advisors.*

### **The Indian securities market**

India has a long history of organized securities trading. In 1875, the first stock exchange was established in Mumbai. BSE and NSE are the significant stock exchanges in terms of the number of listed companies, market capitalisation and trading activity.

### **Indian Stock Exchanges**

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government of India acting through the Ministry of Finance, Capital Markets Division, under the Securities Contracts (Regulation) Act, 1956 (“SCRA”) and the SCRR. On October 03, 2018, SEBI, in exercise of its powers under the SCRA and the SEBI Act, notified the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (“**SCR (SECC) Regulations**”), which regulate *inter alia* the recognition, ownership and internal governance of stock exchanges and clearing corporations in India together with providing for minimum capitalisation requirements for stock exchanges. The SCRA, the SCRR and the SCR (SECC) Regulations along with various rules, bye-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, protect the interests of investors in securities, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations concerning minimum disclosure requirements by public companies, rules and regulations concerning investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buy-backs of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, foreign institutional investors, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

### **BSE**

Established in 1875, it is the oldest stock exchange in India. In 1956, it became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. Pursuant to the BSE (Corporatization and Demutualization) Scheme 2005 of the SEBI, with effect from August 19, 2005, the BSE was incorporated as a company under the Companies Act, 1956. BSE was listed on NSE with effect from February 3, 2017.

### **NSE**

NSE was established by financial institutions and banks to provide nationwide online, satellite-linked, screen-based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. The NSE was recognised as a stock exchange under the SCRA in April 1993 and commenced operations in the wholesale debt market segment in June 1994. The capital market (equities) segment commenced operations in November 1994 and operations in the derivatives segment commenced in June 2000.

### **Listing and delisting of securities**

The listing of securities on a recognised Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, the SCRA, the SCRR, the SEBI Act and various guidelines and regulations issued by the SEBI including the SEBI ICDR Regulations and the SEBI Listing Regulations. The SCRA empowers the governing body of each recognised stock exchange to suspend trading of or withdraw admission to dealings in a listed security for breach of or non-compliance with any conditions or breach of company’s obligations under the SEBI Listing Regulations or for any reason, subject to the issuer receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend the SEBI Listing Regulations and bye-laws of the stock exchanges in India, to overrule a stock exchange’s governing body and withdraw recognition of a recognized stock exchange.

Further, SEBI has notified the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 in relation to the voluntary and compulsory delisting of equity shares from the stock exchanges. Key changes include the reduction of the total delisting timeline from 255 days to 125 days. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

### **Minimum level of public shareholding**

All listed companies (except public sector undertakings) are required to maintain a minimum public shareholding of 25%. In this regard, SEBI has provided several mechanisms to comply with this requirement. Where the public shareholding in a listed company falls below 25% at any time, such company is required to bring its public shareholding to a minimum of 25% within a maximum period of 12 months from the date of such public shareholding having fallen below the 25% threshold, in the manner specified by SEBI. Further, every listed public sector company whose public shareholding falls below 25% at any time after the commencement of the Securities Contracts (Regulation) (Second Amendment) Rules, 2018, shall increase its public shareholding to at least 25%, within a period of two years from the date of such fall, in the manner specified by SEBI. Consequently, a listed company may be delisted from the Stock Exchanges for not complying with the above-mentioned requirements. Our Company is in compliance with this minimum public shareholding requirement.

### **Index-based market-wide circuit breaker system**

In order to restrict abnormal price volatility in any particular stock, the SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index-based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10%, 15% and 20%. The Stock Exchanges on a daily basis translate the circuit breaker limits based on previous day's closing level of the index. These circuit breakers, when triggered, bring about a co-ordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of the BSE or the CNX NIFTY of the NSE, whichever is breached earlier.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise price bands of 5%, 10% and 20% movements either up or down. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available.

The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers. For Qualified Institutions Placement (QIP) investors, circuit breaker mechanisms ensure market stability during price discovery and allocation periods, mitigating risks associated with volatile trading environments. The framework provides a safety net, ensuring that extreme market conditions do not disrupt QIP-based fundraising or equity allocation.

### **Internet-based securities trading and services**

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. Stock brokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated by SEBI and other applicable laws. NSE became the first exchange to grant approval to its members for providing internet-based trading services. Internet trading is possible on both the "equities" as well as the "derivatives" segments of the NSE. To mitigate the risks associated with internet-based trading, SEBI issued its 'Cyber Security and Cyber Resilience Framework for Stock Exchanges, Clearing Corporations, and Depositories' (Circular CIR/MRD/DP/13/2015). This framework mandates exchanges and brokers to implement measures such as periodic vulnerability assessments, data encryption, and two-factor authentication to safeguard trading systems. For QIP investors, internet-based trading systems enhance liquidity and efficiency by enabling real-time execution of large orders. These systems provide a seamless interface for institutional participants, ensuring swift price discovery and allocation during QIP periods.

### **Trading hours**

Trading on both, the NSE and the BSE occurs from Monday to Friday, between 9:15 a.m. and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9:00 a.m. to 9:15 a.m.). The BSE and the NSE are closed on public holidays. The recognised stock exchanges have been permitted to set their own trading hours (in the cash and derivatives segments) subject to the condition that (i) the trading hours are between 9.00 a.m. and 5.00 p.m.; and (ii) the stock exchange has in place a risk management system and infrastructure commensurate to the trading

hours. Extended trading hours offer enhanced flexibility to institutional investors, including Qualified Institutional Buyers (QIBs), by accommodating global market movements and ensuring timely execution of trades.

### **Trading procedure**

In order to facilitate smooth transactions, the BSE replaced its open outcry system with the BSE on-line trading facility in 1995. This totally automated screen based trading in securities was put into practice nation-wide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work. In the year 2014, BSE introduced its new generation fully automated BSE on-line trading platform (“**BOLT+**”) through which all trades on the equity cash, equity derivatives and currency segments of the exchange are executed.

The NSE has introduced a fully automated trading system called National Exchange for Automated Trading (“**NEAT**”), which operates on strict time/ price priority besides enabling efficient trade. NEAT has provided depth in the market by enabling large number of members all over India to trade simultaneously, narrowing the spreads. SEBI has mandated the phased implementation of the T+1 settlement cycle, wherein trades are settled within one working day. This enhances liquidity for institutional investors and ensures faster capital recycling for QIP participants.

### **SEBI Listing Regulations**

Public listed companies are required under the SEBI Listing Regulations to prepare and circulate to their shareholders audited annual accounts which comply with the disclosure requirements and regulations governing their manner of presentation and which include sections relating to corporate governance, related party transactions and management’s discussion and analysis as required under the SEBI Listing Regulations. In addition, a listed company is subject to continuing disclosure requirements pursuant to the terms of the SEBI Listing Regulations.

### **Takeover Regulations**

Disclosure and mandatory bid obligations for listed Indian companies under Indian law are governed by the Takeover Regulations, which provides for specific regulations in relation to substantial acquisition of shares and takeover. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the Takeover Regulations will apply to any acquisition of the company’s shares/ voting rights/ control. The Takeover Regulations prescribes certain thresholds or trigger points in the shareholding a person or entity has in the listed Indian company, which give rise to certain obligations on part of the acquirer. Acquisitions up to a certain threshold prescribed under the Takeover Regulations mandate specific disclosure requirements, while acquisitions crossing particular thresholds may result in the acquirer having to make an open offer of the shares of the target company. The Takeover Regulations also provides for the possibility of indirect acquisitions, imposing specific obligations on the acquirer in case of such indirect acquisition. The Takeover Regulations also provides certain general exemptions which exempt certain acquisitions from the obligation to make an open offer. The Takeover Regulations were amended on June 22, 2020, to exempt any acquisitions by way of preferential issue from the obligation to make an open offer. Subsequently, the Takeover Regulations were amended on August 13, 2021 exempting (a) persons, together with persons acting in concert with him, holding shares or voting rights entitling him to exercise twenty-five per cent or more of the voting rights in a target company; and (b) promoter of the target company, together with persons acting in concert with him, from making continual disclosures in relation to aggregate shareholding and voting rights in the target company. Further, the amendment has also removed certain disclosure obligations for acquirers/promoters, pertaining to acquisition or disposal of shares aggregating to 5% and any change of 2% thereafter, annual shareholding disclosure and creation/invocation/release of encumbrance registered in depository systems under the Takeover Regulations. These relaxations have been given on account of implementation of the System Driven Disclosures (“**SDD**”). SEBI exempts corporate restructuring transactions such as mergers and demergers from the mandatory open offer requirement under Regulation 10, provided shareholder approval is obtained and disclosures are made to the exchanges. SEBI exempts corporate restructuring transactions such as mergers and demergers from the mandatory open offer requirement under Regulation 10, provided shareholder approval is obtained and disclosures are made to the exchanges.

### **Prohibition of SEBI Insider Trading Regulations**

The SEBI Insider Trading Regulations were notified on January 15, 2015 and came into effect on May 15, 2015, which repealed the regulations of 1992. The SEBI Insider Trading Regulations prohibit and penalize insider trading in India and impose certain restrictions on the communication of information by listed companies. An

insider is, among other things, prohibited from dealing in the securities of a listed company when in possession of unpublished price sensitive information (“UPSI”), subject to certain limited exceptions. Under the SEBI Insider Trading Regulations, (i) no insider shall communicate, provide or allow access to any UPSI relating to such companies and securities to any person including other insiders; and (ii) no person shall procure or cause the communication by any insider of UPSI relating to such companies and securities, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. However, UPSI may be communicated, provided or allowed access to or procured, under certain circumstances specified in the SEBI Insider Trading Regulations.

Further, the SEBI Insider Trading Regulations makes it compulsory for listed companies and certain other entities that are required to handle UPSI in the course of business operations to establish an internal code of practices and procedures for fair disclosure of UPSI and to regulate, monitor and report trading by insiders. To this end, the SEBI Insider Trading Regulations provide principles of fair disclosure for purposes of code of practices and procedures for fair disclosure of UPSI and minimum standards for code of conduct to regulate, monitor and report trading by insiders. Under Regulation 3(5) of the SEBI PIT Regulations, listed companies are mandated to maintain a structured digital database (SDD) that records details of UPSI, including its nature, the recipients, and the time of sharing. This database must be preserved for a minimum of eight years and is subject to periodic audits. The System-Driven Disclosures (SDD) framework automates disclosures related to trades by designated persons and connected individuals under SEBI PIT Regulations. This system enhances transparency and ensures compliance by reducing manual errors.

The SEBI Insider Trading Regulations also provides for initial and continuing disclosure obligations for shareholders holding more than a pre-defined percentage, and directors and officers, with respect to their shareholding in the company, and the changes therein. Initial disclosures are required from promoters, key managerial personnel, directors as well as continual disclosures by every promoter, employee or director in case value of trade exceed monetary threshold of 10 lakh rupees over a calendar quarter, within two days of reaching such threshold. The board of directors of all listed companies are required to formulate and publish on the company’s website a code of procedure for fair disclosure of UPSI along with a code of conduct for its employees for compliances with the SEBI Insider Trading Regulations. The definition of “insider” includes any person who has received or has had access to unpublished price sensitive information in relation to securities of a company or any person reasonably expected to have access to unpublished price sensitive information in relation to securities of a company and who is or was connected with the company or is deemed to have been connected with the company. On July 17, 2020, SEBI amended the SEBI Insider Trading Regulations to prescribe that the board of directors or head(s) of listed companies shall ensure that a structured digital database containing the nature of unpublished price sensitive information, the names and details of persons who have shared the information and the names and details persons with whom information is shared shall be maintained.

## **Depositories**

The Depositories Act provides a legal framework for the establishment of depositories to record ownership details and effect transfer in book-entry form. Further, SEBI has framed regulations in relation to, among other things, the formation and registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets. Depositories are exploring the use of blockchain technology to enhance transparency and efficiency in securities trading and settlement. SEBI’s regulatory sandbox allows MIIs to test such innovations under a controlled framework.

## **Derivatives (Futures and Options)**

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivatives contracts were included within the term “securities”, as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organisation under the supervision of the SEBI. SEBI’s updated risk management framework for derivatives mandates maintenance of adequate initial margins, volatility margins, and exposure limits to prevent systemic risks during volatile trading conditions. SEBI has standardized product designs for commodity derivatives to enhance transparency and ensure efficient price discovery. Recent amendments include compulsory delivery mechanisms for agricultural derivatives to safeguard producer interests.

## DESCRIPTION OF THE EQUITY SHARES

*The following is the information relating to the share capital of our Company including a brief summary of the Memorandum of Association and Articles of Association and the Companies Act. Bidders are urged to read the Memorandum of Association and Articles of Association carefully, and consult with their advisers, as the Memorandum of Association and Articles of Association and applicable Indian law, and not this summary, govern the rights attached to the Equity Shares.*

### Share capital

The authorised share capital of our Company comprises 100,000,000 Equity Shares of face value of ₹ 10 each aggregating to ₹ 1,000,000,000 and 14,000,000 CCPS of face value of ₹ 10 each aggregating to ₹140,000,000. As on the date of this Preliminary Placement Document, the issued, subscribed and paid-up share capital of our Company comprises 77,722,448 Equity Shares of face value of ₹ 10 each aggregating to ₹ 777,224,480. The Equity Shares are listed on BSE and NSE. For further details, please refer to the section titled “Capital Structure” on page 112\*.

*\*Our Board of Directors pursuant to their resolution dated October 4, 2024 and our Shareholders pursuant to a special resolution passed by way of a postal ballot on November 26, 2024, have approved the sub-division of each equity share of our Company of face value ₹ 10 each into 2 equity shares of face value of ₹ 5 each. However, as on the date of this PPD, we are yet to give effect to the sub-division including announcement of the record date for effecting the sub-division and completion of the corporate actions thereunder.*

### Dividends

Under the Companies Act, an Indian company pays dividend upon a recommendation by its board of directors and subject to approval by a majority of the shareholders at the AGM held each fiscal year. The dividend on equity shares can be declared/paid only after declaration/payment of applicable dividend on preference shares. Unless the board of directors of a company recommends the payment of a dividend, the shareholders at a general meeting have no power to declare any dividend. Subject to certain conditions laid down by Section 123 of the Companies Act no dividend can be declared or paid by a company for any fiscal year except, among other things, out of the profits of the company for that year, calculated in accordance with the provisions of the Companies Act or out of the profits of the company for any previous fiscal year(s) arrived at as laid down by the Companies Act.

According to the Articles of Association, our Company in a general meeting may declare dividends, but no dividend shall exceed the amount recommended by our Board. Subject to the provisions of the Companies Act, our Board may from time to time pay to the Shareholders such interim dividends as appear to it to be justified by the profits of our Company. Our Board may, before recommending any dividend, set aside out of the profits of our Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of our Board, be applicable for any purpose to which the profits of our Company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of our Company or be invested in such investments (other than Equity Shares of our Company) as our Board may, from time to time, think fit. Our Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

Under the Companies Act, dividends must be paid within 30 days from the date of its declaration. Where our Company has declared dividend, but which has not been paid or claimed within 30 days from the date of declaration, our Company shall, within seven days from the date of expiry of the said period of 30 days, transfer the total amount of the unpaid or unclaimed dividend to the unpaid dividend account. All Equity Shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by our Company in the name of Investor Education and Protection Fund, established by the Central Government.

### Issue of bonus shares and capitalization of reserves

In addition to permitting dividends to be paid out of current or retained earnings, as described above, the Companies Act, permits the board of directors, if so approved by the shareholders in a general meeting, to distribute an amount transferred in the free reserves, the securities premium account or the capital redemption reserve account, to its shareholders, in the form of fully paid-up bonus shares. Bonus shares must be distributed to shareholders in the proportion of the number of ordinary shares owned by them as recommended by the board of directors. The shareholders on record on a fixed record date are entitled to receive such bonus shares. Any issue of bonus shares is subject to regulations issued by SEBI. Further, as per the Companies Act, bonus shares can

only be issued if the company has not defaulted in payments of statutory dues of the employees, such as, contribution to provident fund, gratuity and bonus or principal/ interest payments on fixed deposits or debt securities issued by it. The bonus issue must be made out of free reserves built out of profits or share premium account collected in cash only and not from reserves created by revaluation of fixed assets. Further, bonus shares cannot be issued in lieu of dividend.

### **Pre-emptive rights and alteration of share capital**

Subject to the provisions of the Companies Act, our Company may increase its share capital by issuing new shares on such terms and with such rights as it, by action of its shareholders in a general meeting may determine. Under Section 62(1)(a) of the Companies Act, the shareholders have the pre-emptive right to subscribe for new shares in proportion to the amount paid up on those shares at that date. The offer shall be made by notice specifying the number of shares offered and the date (being not less than 15 days and not exceeding 30 days from the date of the offer) within which the offer, if not accepted, will be deemed to have been declined. The offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him in favour of any person, and the notice shall contain a statement of this right. The board of directors is authorised to distribute any new shares not purchased by the pre-emptive rights holders in a manner which is not disadvantageous to the shareholders and the company.

Our Articles of Association provide that our Company may, from time to time, by ordinary resolution in its general meetings, undertake any of the following:

- increase the share capital by such sum, to be divided into shares of such amounts as it thinks appropriate;
- divide, sub-divide or consolidate its shares, or any of them, and the resolution whereby any share is sub-divided, may determine that as between the holders of the shares resulting from such sub-division one or more of such shares have some preference or special advantage in relation to dividend, capital or otherwise as compared with others;
- cancel shares which the date of such general meeting have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of shares so cancelled; and
- consolidate and divide all or any of its share capital into shares of larger amount than its existing shares.

### **Preference shares**

Subject to Section 55 of the Companies Act, any new shares may be issued as preference shares which are liable to be redeemed within a period not exceeding 20 years from the date of their issue, and the resolution authorizing such issue shall prescribe the manner, terms and conditions of redemption subject to the conditions provided in the Companies Act, read with the Companies (Share Capital and Debentures) Rules, 2014, as amended.

Our Articles of Association provide that our Company shall have power to issue, subject to the provisions of the Companies Act, and consent of our Board, any preference shares on the terms that they are, or at the option of our Company, liable to be redeemed on such terms and in any manner permissible under the Companies Act, and the Directors may, subject to the applicable provisions of the Companies Act, exercise such power as they deem fit and provide for redemption at a premium or otherwise as they deem fit.

### **General meetings of Shareholders**

There are two types of general meetings of the Shareholders:

- (i) Annual General Meeting, and
- (ii) Extraordinary General Meeting.

As per the provisions of our Articles of Association, all general meetings other than Annual General Meetings shall be called Extraordinary General Meetings.

In accordance with Section 96 of the Companies Act, a company must hold its annual general meeting within six months after the expiry of each fiscal provided that not more than 15 months shall elapse between the annual general meeting and the next one, unless extended by the Registrar of Companies at its request for any special reason for a period not exceeding three months. Our Company shall, in addition to any other meetings, hold a

general meeting which shall be styled as an Annual General Meeting at intervals and in accordance with the following provisions: (a) our Company shall hold its Annual General Meetings within such intervals as are specified in Section 96 read with Section 129 of the Companies Act and subject to the provisions of Section 96(2) of the Companies Act at such times and places as may be determined by our Board.

Our Board may, whenever it thinks fit, call an Extraordinary General Meeting. Further, our Board may call an Extraordinary General Meeting on requisition in compliance with the provisions of the Companies Act.

Whenever our Company proposes to undertake any action that statutorily requires the approval of the Shareholders of our Company, our Company shall call for an Extraordinary General Meeting in accordance with the provisions of the Companies Act by serving at least 21 days' written notice to all Shareholders, with an explanatory statement containing all relevant information relating to the agenda for the Extraordinary General Meeting. Unless waived in writing by all the Shareholders, any item not specifically included in the agenda of a Shareholders' meeting shall not be considered or voted upon at that meeting of the Shareholders (including at any adjournments thereof).

Our Company may also pass resolutions by means of postal ballot and/or other ways as may be prescribed under Section 110 of the Companies Act and/or other applicable provisions, if any, and any future amendments or re-enactments, in respect of any business that can be transacted by our Company in a general meeting, instead of transacting the business therein. Further, in the case of resolutions relating to such business as the Government of India may prescribe, to be conducted only by postal ballot and/or other ways as may be prescribed, our Company shall get such resolutions passed only by postal ballot and/or other ways as may be prescribed, instead of transacting the business in a general meeting of the Company.

### **Voting rights**

At a general meeting, every member holding shares is entitled to vote through e-voting process. Upon a poll, the voting rights of each shareholder entitled to vote and present in person or by proxy is in the same proportion as the capital paid up on each share held by such holder bears to our Company's total paid up capital. The Chairman of the meeting has a casting vote or second vote. Ordinary resolutions may be passed by simple majority of those present and voting. Special resolutions require that the votes cast in favour of the resolution must be at least three times the votes cast against the resolution. Subject to the provisions of the Companies Act and our Articles of Association, votes may be given either personally or by proxy, and in the case of a body corporate, a duly authorised representative under Section 113 of the Companies Act shall be entitled to exercise the same powers on behalf of the corporation as if it were an individual member of the company.

On a show of hands, every member holding Equity Shares and present in person shall have one vote. On a poll, every member holding Equity Shares in our Company shall have voting rights in proportion to his share of the paid-up equity share capital. In the case of joint holders, any one of such holders may vote at any meeting personally or by proxy in respect of such share, as if he were solely entitled thereto, and if more than one of such members be present at any meeting, either personally or by proxy, then one of the said members so present whose name stands first on the Register in respect of such share shall alone be entitled to vote in respect thereof. Further, upon a show of hands or upon a poll, the voting right of every member holding preference shares shall be subject to the provisions of Section 47 of the Companies Act. A member who is of unsound mind may vote whether on a show of hands or a poll by his committee or any other legal guardian and such person may give their votes by proxy.

Any business other than upon which a poll has been demanded may be proceeded with, pending the taking of the poll. No Shareholder shall be entitled to exercise any voting right, either personally or by proxy at any meeting of the Company unless all calls or other sums presently payable by him in respect of the shares in the Company have been paid, or in regard to which the Company has exercised any right of lien. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairperson of the meeting, whose determination made in good faith shall be final and conclusive.

The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarized copy of that power or authority, shall be deposited at the Registered Office of our Company at least 48 hours before the time of holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote and in default, the instrument of proxy shall not be treated as valid. A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the prior death or insanity of the principal, or revocation of the instrument, or transfer of the share in respect of which the vote is given, provided

that no intimation in writing of the death, insanity, revocation or transfer shall have been received by our Company at the Registered Office before the vote is given. However, the chairman of that meeting shall be entitled to require such evidence as he may think fit, of the due execution of the instrument of proxy and that such instrument has not been revoked.

### **Transfer and transmission of Equity Shares**

Equity shares held through depositories are transferred in the form of book entries or in electronic form in accordance with the regulations laid down by SEBI. These regulations provide the regime for the functioning of the depositories and the depository participants and set out the manner in which the records are to be kept and maintained and the safeguards to be followed in this system. Transfers of beneficial ownership of shares held through a depository are exempt from stamp duty; however, subject to securities transaction tax (levied on and collected by the stock exchanges on which such equity shares are sold). Our Company has entered into an agreement for such depository services with the NSDL and CDSL. Further, SEBI has mandated that securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019.

Pursuant to the SEBI Listing Regulations, in the event our Company has not effected the transfer of shares within 15 days or where our Company has failed to communicate to the transferee any valid objection to the transfer within the stipulated time period of 15 days, it is required to compensate the aggrieved party for the opportunity loss caused during the period of the delay. The Equity Shares shall be freely transferable, subject to applicable laws.

The executor or administrator of a deceased member (not being one of the several joint-holders) shall be the only person recognised in the name of such member, and in case of the death of anyone or more of the joint holders of any registered Equity Share, the survivor shall be the only person recognised by the Company as having any title to or interest in such Equity Share. However, the above stated shall not release the estate of a deceased joint holder from any liability in respect of any Equity Share which had been jointly held by him with other persons.

If any person becoming entitled to Equity Shares in consequence of the death of a Shareholder, elects to be registered as holder of the Equity Share himself, he shall deliver or send to the Company, a notice signed by him stating that he so elects. If the said person elects to transfer the Equity Shares, he shall testify his election by executing an instrument of transfer of the Equity Shares. Our Board shall, in either case, have the same right to decline or suspend registration as it would have had if the deceased, lunatic, insolvent, bankrupt shareholder had transferred the Equity Share(s) before his death, lunacy, bankruptcy or insolvency.

Any person becoming entitled to Equity Shares by reason of the death, lunacy, bankruptcy or insolvency of a Shareholder shall, subject to Section 123 of the Companies Act be entitled to the same dividends and other advantages as he would be entitled to if he were the registered holder of the Equity Shares.

### **Registration of Transfers and Register of Members**

Our Company is required to maintain a register of members wherein the particulars of the members of our Company are entered. We recognize as shareholders only those persons whose names appear on the register of shareholders and cannot recognize any person holding any share or part of it upon any express, implied or constructive trust, except as permitted by law. In respect of electronic transfers, the depository transfers shares by entering the name of the purchaser in its books as the beneficial owner of the shares. In turn, the name of the depository is entered into our records as the registered owner of the shares. The beneficial owner is entitled to all the rights and benefits as well as the liabilities with respect to the shares held by a depository.

For the purpose of determining the shareholders, entitled to corporate benefits declared by our Company, the register may be closed for such period as the Board of Directors may deem expedient, subject to such period not exceeding the number of days as may be prescribed under applicable laws including the provisions of the Companies Act. Under the SEBI Listing Regulations of the stock exchanges on which our Company's outstanding Equity Shares are listed, our Company may, upon at least seven working days' (excluding the date of intimation and the record date) advance notice to such stock exchanges, set a record date and/or close the register of shareholders in order to ascertain the identity of shareholders. The trading of Equity Shares and the delivery of certificates in respect thereof may continue while the register of shareholders is closed.

### **Directors**

The Articles of Association provide that the number of Directors on the Board shall not be less than three and not more than fifteen. The Articles of Association also permit our Directors to appoint any other person as a director

as an addition to the Board but so that the total number of Directors shall not at any time exceed the maximum number of 15, as fixed under the Articles of Association. However, any director so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if it had not been vacated, but shall be eligible for re-election at such meeting.

#### **Acquisition by our Company of its own Equity Shares**

The Company is permitted to buy-back its securities including shares in accordance with the provisions of Sections 68, 69 and 70 and other applicable provisions, if any, of the Companies Act (including any future amendments or re-enactments) and as per the rules and procedures prescribed therein and in compliance with any related SEBI regulations, as well as other the prevailing regulatory provisions and guidelines.

#### **Liquidation rights**

In the event of our winding up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Companies Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not. The liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

#### **Winding up**

As per the provisions of our Articles of Association, our Company may be wound up in accordance with the Companies Act, and the Insolvency and Bankruptcy Code, 2016, as amended (to the extent applicable). If our Company shall be wound up, the liquidator may with the sanction of special resolution of our Company and any other sanctions as required by the Companies Act divide amongst the shareholders, in specie or kind the whole or any part of the assets of the Company.

## TAXATION

To,

**The Board of Directors  
Senco Gold Limited**

Diamond Prestige,  
41A, A.J.C. Bose Road, 10<sup>th</sup> Floor  
Unit No. 1001, Kolkata - 700 017  
West Bengal, India

**Ambit Private Limited**

Ambit House,  
449 Senapati Bapat Marg,  
Lower Parel,  
Mumbai 400 013  
Maharashtra, India

**Emkay Global Financial Services Limited**

7th Floor, The Ruby,  
Senapati Bapat Marg,  
Dadar (West),  
Mumbai – 400028  
Maharashtra, India

(Ambit Private Limited and Emkay Global Financial Services Limited are together referred to as the “**Book Running Lead Managers**” or “**BRLMs**” in relation to the Issue)

**Sub: Proposed Qualified Institutions Placement of equity shares of face value of ₹ 10 each (the “Equity Shares”) by Senco Gold Limited (the “Company”) in accordance with Sections 42 and 62(1)(c) of the Companies Act, 2013 (the “Act”) read with Chapter VI of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the “SEBI ICDR Regulations”) (the “Issue”).**

We, Maheshwari & Associates, Chartered Accountants, (Firm Registration Number: 311008E), appointed as Independent Chartered Accountants for the purpose of the Issue, hereby confirm that the enclosed **Annexure A**, correctly and adequately states the possible special tax benefits available to the Company, and to its shareholders under the direct and indirect taxes presently in force in India (“**Indian Tax Laws**”) and the income tax regulations in the respective countries where the material subsidiaries are located. These possible special tax benefits are dependent on the Company and its shareholders fulfilling the conditions prescribed under the relevant provisions of the Indian Tax Laws. Hence, the ability of the Company and its shareholders to derive these possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company and its shareholders may or may not choose to fulfill such conditions.

The special tax benefits discussed in the enclosed Annexure A are not exhaustive or conclusive and cover the possible special tax benefits available to the Company and its shareholders and do not cover any regular tax benefits available to them. The Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed Issue. Neither we are suggesting nor advising investors to invest money based on this statement.

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

- (i) the Company and its shareholders will continue to obtain these possible tax benefits in future; or
- (ii) the conditions prescribed for availing the possible tax benefits, wherever applicable, have been/would be met.

It is the Company’s Management responsibility to provide us the full, complete, correct, accurate and updated

information in this regard.

Our confirmation is based on the information, explanations and representations obtained from the Company and based on our understanding of the business activities and operations of the Company.

We have issued this certificate in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) (the ‘**Guidance Note**’) issued by the Institute of Chartered Accountants of India (the ‘**ICAI**’). The Guidance Note requires that we comply with the independence and 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 Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

The enclosed statement is issued in connection with the Issue and the contents of the statements, in full or in part, can be disclosed in the preliminary placement document, the placement document and other documents (together the ‘**Placement Documents**’) or materials in relation to the Issue.

We undertake to inform you promptly, in writing of any changes, within our knowledge, to the above information until the Equity Shares issued by the Company pursuant to Issue commence trading on Stock Exchanges. In the absence of such communication from us, the above information should be considered as updated information until the Equity Shares issued pursuant to the Issue, commence trading on the Stock Exchanges.

This certificate may be relied upon by the addressees to this certificate and the legal counsels to each of the Company and the BRLMs appointed for the purpose of the Issue. We hereby consent to extracts of, or reference to, this certificate being used in the Placement Documents to be filed in relation to the Issue. We also consent to the submission of this certificate as may be necessary to any regulatory authority and/or for the records to be maintained by the BRLMs in connection with the Issue, in accordance with applicable law.

We also authorize the BRLMs to deliver this letter to Securities and Exchange Board of India (“**SEBI**”), the Stock Exchanges or any other governmental or regulatory authority as may be required or in seeking to establish a defence in connection with, or to avoid, any actual, potential or threatened legal, arbitral or regulatory proceeding or investigation.

All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in the Preliminary Placement Document and Placement Document to be filed in relation to the Issue.

For Maheshwari & Associates  
**Independent Chartered Accountants**  
Firm Registration Number: 311008E  
Peer Review Number: 017294  
UDIN: 24055788BKFE0F1670

CA Bijay Murmuria  
Partner  
(Membership Number: 055788)

Place: Kolkata  
Date: December 10, 2024

**Enclosed: Annexure A**

## **Statement of possible special tax benefits available to Senco Gold Limited (the “Company”) and its shareholders under the applicable tax laws in India**

Outlined below are the special tax benefits available to the Company and its shareholders under the Income tax Act, 1961 (“the Act”) presently in force and applicable for the Financial Year 2023-24. These possible special tax benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the Income Tax Regulations.

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

### **A. Special tax benefits available to the Company.**

#### **1. Concessional corporate tax rates - Section 115BAA of the Act**

The Taxation Laws (Amendment) Act, 2019 introduced section 115BAA wherein domestic companies are entitled to avail a concessional tax rate of 22% (plus applicable surcharge and cess) on fulfilment of certain conditions. The option to apply this tax rate was available from Financial Year (‘FY’) 2019-20 relevant to Assessment Year (‘AY’) 2020-21 and the option once exercised shall apply to subsequent AYs. The concessional rate is subject to a company not availing any of the following deductions under the provisions of the Act:

- Section 10AA: Tax holiday available to units in a Special Economic Zone.
- Section 32(1)(iia): Additional depreciation;
- Section 32AD: Investment allowance.
- Section 33AB/3ABA: Tea coffee rubber development expenses/site restoration expenses
- Section 35(1)/35(2AA)/ 35(2AB): Expenditure on scientific research.
- Section 35AD: Deduction for capital expenditure incurred on specified businesses.
- Section 35CCC/35CCD: expenditure on agricultural extension /skill development.
- Chapter VI-A except for the provisions of section 80JJAA and section 80M.

The total income of a company availing the concessional rate of 25.168% (i.e., 22% along with surcharge and health and education cess) is required to be computed without set-off of any carried forward loss and depreciation attributable to any of the aforesaid deductions/incentives. A company can exercise the option to apply for the concessional tax rate in its return of income filed under section 139(1) of the Act. Further, provisions of Minimum Alternate Tax (‘MAT’) under section 115JB of the IT Act shall not be applicable to companies availing this reduced tax rate, thus, any carried forward MAT credit also cannot be claimed.

The provisions do not specify any limitation/condition on account of turnover, nature of business or date of incorporation for opting for the concessional tax rate. Accordingly, all existing as well as new domestic companies are eligible to avail this concessional rate of tax.

Note: The Company has already opted for the concessional tax rate benefit for the FY 2019-20 relevant to the AY 2020-21 as mentioned in the Section 115BAA for which declaration in form 10IC has already been filed with the income tax authority.

#### **2. Deductions in respect of employment of new employees – Section 80JJAA of the Act**

As per section 80JJAA of the Act, where a company is subject to tax audit under section 44AB of the Act and derives income from business, it shall be allowed to claim a deduction of an amount equal to 30% of additional employee cost incurred in the course of such business in a previous year, for 3 consecutive assessment years including the assessment year relevant to the previous year in which such additional employment cost is incurred. The eligibility to claim the deduction is subject to fulfilment of prescribed conditions specified in sub-section (2) of section 80JJAA of the Act.

#### **3. Deduction with respect to inter-corporate dividends – Section 80M of the Act**

As per the provisions of section 80M of the Act, inserted with effect from 01 April 2021, a domestic company shall be allowed to claim a deduction of dividend income earned from any other domestic company or a foreign company or a business trust. The amount of deduction so claimed should not exceed the amount of dividend distributed by it and is subject to fulfilment of other conditions laid down therein.

**B. Special tax benefits available to the shareholders.**

There are no special tax benefits available to the shareholders of the Company under the Act.

**Statement of possible special tax benefits available to Senco Gold Limited and its Shareholders under the Indirect Tax Regulations in India**

Outlined below are the special tax benefits available to the Company and its shareholders under the Central Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017 (read with relevant Rules prescribed thereunder). These possible special tax benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant indirect tax law.

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

**Special Tax Benefits availed by the Company**

Under the GST regime, all supplies of goods and services which qualify as export of goods or services are zero-rated supplies.

There are two mechanisms for claiming refund of accumulated Input Tax Credit (“ITC”) against export. Either person can export under Bond/ Letter of Undertaking (LUT) as zero-rated supply and claim refund of accumulated ITC or person may export on payment of integrated Goods and Services Tax and claim refund thereof as per the provisions of Section 54 of Central Goods and Services Tax Act, 2017.

Thus, the GST law allows the flexibility to the exporter (which will include the supplier making supplies to SEZ) to claim refund upfront as integrated tax (by making supplies on payment of tax using ITC) or export without payment of tax by executing a Bond/LUT and claim refund of related ITC of taxes paid on inputs and input services used in making zero rated supplies.

**Possible special benefits for shareholders of Senco Gold Limited**

Shareholders of the Company are not eligible to special tax benefits under the provisions of the the Central Goods and Services Act, 2017 (read with Central Goods and Services Tax Rules, circulars, notifications), respective State Goods and Services Tax Act, 2017 (read with respective State Goods and Services Tax Rules, circulars, notifications), Integrated Goods and Services Tax Act, 2017 (read with Integrated Goods and Services Tax Rules, circulars, notifications), The Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2015-20), Customs Act, 1962 (read with Custom Rules, circulars, notifications), Customs Tariff Act, 1975 (read with Custom Tariff Rules, circulars, notifications).

## LEGAL PROCEEDINGS

We are involved in various legal proceedings from time to time, including those which arise in the ordinary course of business. These legal proceedings may primarily be in the nature of, amongst others, tax disputes, criminal proceedings, regulatory actions and civil proceedings, arbitration proceedings, commercial proceedings, which are pending before various adjudicating forums within India.

Except as disclosed in this section, there is no outstanding legal proceeding which has been considered material in accordance with our Company's "Policy on Determination of Materiality of Events/Information" framed in accordance with Regulation 30 of the SEBI Listing Regulations and adopted by our Board pursuant to its resolution dated March 11, 2022 and further revised pursuant to the Board resolutions dated August 14, 2023 and June 27, 2024 ("**Materiality Policy**"). The SEBI ICDR Regulations mandate legal proceedings to be disclosed in accordance with the materiality policy framed under the SEBI Listing Regulations. Accordingly, all outstanding civil proceedings individually involving (which includes cases filed by and against) our Company, Subsidiaries and Promoters, where the amount involved exceeds 5.00% of average absolute value of profit or loss after tax in Fiscals 2022, 2023 and 2024, which is equivalent to ₹ 78.09 million or above ("**Materiality Threshold**") shall be considered material and shall be disclosed in this Preliminary Placement Document. Further, all outstanding civil proceedings involving our Directors (which includes cases filed by and against) an adverse outcome of which could materially and adversely affect the reputation, operations, business, prospects or financial position of the Company shall be considered material and will be disclosed individually. The Materiality Threshold was approved by our Committee of Directors pursuant to its resolution dated December 10, 2024.

In addition to disclosing the cases above Materiality Threshold involving our Company, Promoters, Directors and Subsidiaries, our Company has also disclosed in this section, solely for the purpose of the Issue, the following outstanding legal proceedings, to the extent applicable: (i) all outstanding criminal proceedings involving our Company, our Subsidiaries, our Promoters and our Directors; (ii) all outstanding actions initiated (including any show-cause notices received) by any regulatory and/ or statutory authorities such as SEBI or such similar authorities or stock exchanges, involving our Company, our Subsidiaries, our Promoters and our Directors; (iii) consolidated disclosure of all outstanding tax (direct and indirect) proceedings (including show cause notices) involving our Company, our Directors, our Promoters and our Subsidiaries; (iv) any other outstanding litigation involving our Company, our Directors, our Promoters and our Subsidiaries wherein the aggregate amount involved is not quantifiable, but which, in view of our Company, could have a material adverse effect on the business or operations or prospects, reputation or financial position of our Company.

Further, except as disclosed below and in the other sections of this Preliminary Placement Document, as on the date of this Preliminary Placement Document, (i) there are no inquiries, inspections or investigations initiated or conducted under the Companies Act or any previous companies law in the last three years immediately preceding the year of issue of this Preliminary Placement Document, against our Company and our Subsidiaries; and any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three years immediately preceding the year of issue of this Preliminary Placement Document, as applicable, for our Company and Subsidiaries; (ii) there are no material frauds committed against our Company in the last three years; (iii) there are no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations; (iv) there are no defaults in repayment of (a) statutory dues; (b) debentures and interest thereon; (c) deposits and interests thereon and (d) any loan obtained from any bank or financial institution and interest thereon by our Company, on a consolidated basis; (v) there are no defaults in annual filing of our Company under the Companies Act and the rules made thereunder; (vi) there is no litigation or legal action pending or taken by any ministry or department of the Government or a statutory authority against our Promoters during the last three years immediately preceding the date of this Preliminary Placement Document and no directions have been issued by any ministry or department of the Government or statutory authority upon conclusion of such litigation or legal action; and (vii) there are no reservations, qualifications or adverse remarks of auditors in the last five Fiscals immediately preceding the date of this Preliminary Placement Document.

It is clarified that for the purposes of the above, pre-litigation notices received by any of our Company and our Subsidiaries from third parties (excluding those notices issued by statutory / regulatory / governmental authorities) shall not be considered as litigation proceedings till such time that any of our Company or our

*Subsidiaries have been impleaded as a defendant or respondent any such litigation proceedings before any judicial forum or arbitral tribunal.*

*Capitalized terms used herein shall, unless otherwise specified, have the meanings ascribed to such terms in this section.*

## **Litigation involving our Company**

### **A. Outstanding criminal proceedings involving our Company**

#### *Outstanding criminal proceedings initiated against our Company*

##### **1. Proceedings under Section 277A of the Income Tax Act, 1961 (“IT Act”)**

After the search and seizures conducted on our Company as mentioned below in the section “Litigation involving our Company –Actions taken by regulatory and statutory authorities involving our Company” on page 305, the Investigation Wing of the Income Tax Department (“ITD”) acting through its Additional Director of Income Tax (“ADIT”), by way of a letter dated January 4, 2017, asked our Company to show cause as to why prosecution under Section 277A of the IT Act should not be initiated against our Company, and alleged that our Company: (a) had done business taking illegal tender of currency; (b) tried to hide the names of actual buyers/ carriers of cash by splitting advance vouchers in values below ₹200,000 which were raised in the names of various third persons; (c) abetted in the conversion of unaccounted cash into gold; (d) had not submitted the evidence of sales on the advances that it had undertaken; and therefore our Company had not made valid sales against the advances taken and that the same would be considered as unaccounted cash credit.

Our Company responded to the ADIT’s letter on January 19, 2017 denying all the allegations made therein. Thereafter, our Company received a show cause notice on February 24, 2017 from the ADIT seeking information, among other things, in relation to (a) differences between details of advances furnished by our Company and the statements of the customers that were recorded on oath before the ADIT; (b) certain of the items described by our Company being delivered to the customers not matching with the actual items delivered to the customers (as per the video footage submitted by our Company); (c) the rationale for the Company charging a 10-15% premium on its products; (d) why single sale made to customers were split into multiple invoices in the name of various third persons to reflect amounts lesser than ₹200,000; and (e) why the Company charged making charges on gold bullion thereby allegedly inflating expenses (payments to Karigars/Karigar entities). Our Company responded to the show cause notice on February 27, 2017, denying all the allegations and explaining the same.

Further, our Company received a summons from the Chief Judicial Magistrate dated April 26, 2018 in relation to a petition filed by the Deputy Director of Income Tax (Investigation), Unit-2(1), Kolkata (“DDIT”) before the court of the Chief Judicial Magistrate at Alipore against our Company and our Individual Promoter and Director and Suvankar Sen, under Section 277A of the IT Act. The said provision of the IT Act prohibits a person from enabling any other person to evade taxes by falsifying accounts and documents. The DDIT alleged that our Company had accepted old and illegal tender as mentioned above in the form of old currency notes post the withdrawal of ₹500 and ₹1,000 notes on November 8, 2016 thus allowing persons to avoid payment of taxes. Further, the DDIT has alleged that sales recorded having been made on November 8, 2016 were actually made post November 8, 2016 and were incorrectly recorded as sales having been made on November 8, 2016 in the books of the Company.

In this regard, the petition noted that a report was received from the Central Board of Direct Taxes stating that significant amounts of cash had been deposited in the bank accounts belonging to our Company and owners of certain of our Franchisee Stores in the aftermath of demonetization. The matter came up for hearing on June 2, 2018 wherein the DDIT requested the court to take cognizance of the offence under Section 277A of the IT Act and issue process for enquiry and trial. The matter was further heard on September 6, 2022, wherein the Judicial Magistrate, First Court, Alipore directed the Officer in Charge Rabindra Sarobar Police Station to submit the pending report. Post the same, the matter was heard on November 15, 2022, January 20, 2023, April 3, 2023 and was last heard on May 31, 2023 for the purpose of evidence.

The matter is currently pending before the Judicial Magistrate, First Court, Alipore and the next hearing

is scheduled for April 28, 2025.

*Outstanding criminal proceedings initiated by our Company*

1. Our Company had filed a first information report dated May 7, 2021 under Section 408 of the Indian Penal Code, 1860 against one of its employees on grounds of theft of jewelry worth of ₹ 0.33 million (approx.) from the Company's head office. The accused employee has provided a signed affidavit submitting to his crime. The matter is currently pending.
2. Our Company had filed a first information report dated July 5, 2021 against one of our employees on the ground of theft of jewellery worth of approximate ₹ 0.05 million and thereafter remaining absconding. In furtherance to the submission of the chargesheet, the matter was put up before the Court of the Metropolitan Magistrate, Calcutta. The accused has been granted bail by the Chief Metropolitan Magistrate on account of receipt of a ₹ 500 bail bond, submitted by the accused. On September 18, 2024, the Judicial Magistrate, Calcutta passed an order wherein it has been held that the employee is found not guilty under Sections 381 and 511 of Bharatiya Nyaya Sanhita, 2023 and hence acquitted. Furthermore, the accused was also discharged from the bail bonds. We are in the process of applying for an appeal in the matter before the relevant forum.
3. Our Company has filed a first information report dated January 23, 2022 under Sections 406 and 120B of the Indian Penal Code, 1860, against Sudipta Roy and his wife Putul Roy, proprietors of M/s Rays, an advertising agency hired by the Company for the purposes of their products' advertisements on various TV channels on grounds of criminal breach of trust and cheating the Company. The advertising agency had obtained funds from the Company claiming payment to various TV channels as the reason, but misappropriated the same and swindled an amount of ₹ 3.73 million (approx.). The matter is currently pending.
4. Our Company has filed a criminal petition under Sections 403, 406, 420, 424, 409, 379, 381 and 506 of the Indian Penal Code, 1860 against Gopal Rana (the "**Accused**"), before the Court of the Additional Chief Judicial Magistrate, Siliguri. We have alleged that the Accused was involved in business irregularities and malpractices along with indiscipline and siphoning of funds and stocks from the Company's showroom. We have prayed before the Court to take due cognizance of the Accused's offences and thereby issue a warrant for his arrest. The matter is currently pending before the Court of the Additional Chief Judicial Magistrate, Siliguri. The next hearing is scheduled for May 12, 2025.
5. Our Company has filed a first information report dated March 22, 2022 under Section 408 of the Indian Penal Code, 1860, against one of the Karigars/Karigar entities of the Company on the ground of theft of jewelry worth of approximate ₹ 0.06 million from our manufacturing facility located at Gems and Jewellery Park, Ankurhati, Howrah. The matter is currently pending.
6. Our Company has filed a first information report dated June 7, 2021 under Section 408 of Indian Penal Code, 1860, against an employee named Dhananjay Singh on the ground of theft of 22K gold items approx. ₹ 332,000 from the head office of the Company. The matter is currently pending.
7. Our Company has filed a first information report dated August 8, 2023, under Sections 420, 408, 467, 468, 469, 471 and 34 of Indian Penal Code, 1860 against three employees of the Company's store located at Pitampura. The matter is currently being investigated by the Park Street police station and is pending.
8. Our Company has filed a first information report dated August 14, 2023 under Section 154 of Code of Criminal Procedure, 1973, against Pankaj Yadav and Geeta Yadav on the ground of attempt to theft of jewelry worth ₹ 3,050 from the showroom at Anand Plaza, Patrakarpuram, Gominagar. The matter is currently pending.
9. Our Company has filed a first information report dated October 22, 2024 under Sections 61(2), 3(5), 316(4), 336(2) and 338 of Bharatiya Nyaya Sanhita, 2023 against certain individuals. The matter is currently pending.
10. Our Company has filed a first information report dated October 23, 2024 under Sections 305 and 3(5) of Bharatiya Nyaya Sanhita, 2023, against a group of people on the ground of theft of jewellery worth ₹ 218,227 from the store located at Chandani Chowk of the Company. The matter is currently pending.

## **B. Material outstanding civil proceedings involving our Company**

### *Outstanding material civil proceedings initiated against our Company*

1. Trina Deb (“**Complainant**”) filed a case against our MD and CEO, Suvankar Sen, before the District Consumer Disputes Redressal Forum, Jalpaiguri whereby she alleged that the showroom manager of the Jalpaiguri showroom of the Company had manipulated her and thereby unlawfully refrained from verifying the purity of the gold items brought in by her for the purposes of exchange, before melting them. The arguments of the parties were heard, and the order was passed by the District Consumer Disputes Redressal Forum on July 25, 2023. Aggrieved by the order, an appeal was filed by the Complainant before the West Bengal State Consumer District Commission, Circuit Bench. The Company has filed written notes and arguments and the appellant has filed a calculation sheet. The matter is currently pending before the West Bengal State Consumer District Commission, Circuit Bench and the next date for hearing is scheduled for February 25, 2025.
2. Debasis Chakraborty (the “**Complainant**”) has filed a complaint against our Company before the Department of Consumer Affairs and Fair Business Practices (W.B.) alleging deficiency of services and/or unfair trade practices by our Company under Sections 2(11), 2(42) and 2(47) of the Consumer Protection Act, 2019. Our Company has received the copy of the complaint and has been asked to reply to the Complainant within 15 days of receiving the copy of the complaint from the Consumers Affairs Department. The matter is currently pending.
3. The Nodal Officer for My Digi Gold has received a notice dated May 4, 2022 from Jalpaiguri Cyber Police Station, Jalpaiguri District Police, West Bengal under Section 91 of the Indian Code of Criminal Procedure, 1973 to furnish certain details such as the beneficiary details, bank account, debit card, IP address, contact in relation to a transaction on PayU application. The matter is currently pending.
4. Arora Jewellers (“**Complainant**”), a franchisee of our Company has initiated a case arising out of disputes arising out of termination of the franchisee by the Company under Section 9 of the Arbitration and Conciliation Act 1996. An interim application was filed by the Company on September 15, 2022, for dismissal and the same was allowed. Thereafter, the Complainant filed an appeal before the High court of Madhya Pradesh. The matter has not been listed since then and is currently pending.

### *Outstanding material civil proceedings initiated by our Company*

1. Our Company (“**Claimant**”) has filed an arbitration petition against Vijay Laxmi Arora (“**Respondent**”), on the grounds of non-payment of contractual dues and breach of the terms of the franchisee agreement entered into between the Claimant and the Respondent. Thereby, the Claimant has prayed for an arbitral award of ₹ 172.90 million (approx.) along with interest until recovery of the abovementioned sum. On June 28, 2022, the arbitrator has granted the Claimant an award of ₹ 172.91 million along with interest. The Claimant is in the process of getting the execution of the arbitration award. Further, the Respondents have filed an interim application before the Additional District and Sessions Judge, Bhopal in the abovementioned matter. The matter is currently pending

## **C. Actions taken by regulatory and statutory authorities involving our Company**

1. *Search and summons under Sections 105 and 108 of the Customs Act, 1962*

A search has been conducted at our Registered and Corporate Office and spot summons (“**Spot Summons**”) was delivered to our Company by the Office of the Commissioner of Customs (Preventive), Preventive & Intelligence Branch, Custom House, Kolkata on April 12, 2022.

The Superintendent of Customs (Preventive), Preventive & Intelligence Branch, Custom House, Kolkata (“**Superintendent**”) had initiated an investigation against Unique Chains Private Limited, one of our Job Worker and vendor, in connection with an authorised search at their business-cum-office premise at Kolkata. During the search at their office, the Superintendent observed that Unique Chains Private Limited made a supply of large quantity of assorted gold jewellery to our Company. Pursuant to the Spot Summons, our General Manager, Debjit Mallick was summoned to appear before the Superintendent on

April 13, 2022 at 00.30 hours at our Registered and Corporate Office and a search list under Section 105 of the Customs Act, 1962, was issued to our Company.

Pursuant to the search at our Registered and Corporate Office, we were asked for submission of requisite documents for clarification of discrepancies as noticed during the search at the business-cum-office premise of Unique Chains Private Limited. We have submitted the documents and such documents have been taken in to custody *vide* the search list under Section 105 of the Customs Act, 1962.

2. *Search and Seizure under Section 132 of the IT Act and Block Assessment under Section 153A of the IT Act*

In terms of Gazette Notification No. 2652 dated November 8, 2016 issued by the Government of India, denominations of ₹500 and ₹1,000 bank notes issued by the RBI ceased to be legal tender from November 9, 2016 (the “**Demonetisation**”). Post Demonetisation, certain searches were conducted by the ITD at our manufacturing facilities at Rabindra Sarani, Kolkata and Manikanchan, Kolkata, at two of our Company Operated Showrooms in Kolkata, at the residence of our Individual Promoter, at our Registered Office and Corporate Office and at premises of various Franchisee Showrooms, from December 20, 2016. As a part of the above searches the departmental officers visited our manufacturing facility located at Manikanchan on February 14, 2017.

During the searches on our Company and some of our group entities, amongst others, the following were found (as set out by the ITD in its letter dated July 20, 2018): (a) cash amounting to ₹ 0.73 million; (b) jewellery and other precious metal inventories having a market value (as determined by the ITD valuer) of ₹1,642.73 million; and (c) various documents (that were seized by the income tax officials). The cash and jewellery were not seized.

Additionally, during the same search conducted at our factory situated at Rabindra Sarani, Kolkata, on December 20, 2016, three gold bars aggregating to 3,429.85 grams and having a market value (as determined by a government appointed registered valuer) of ₹9.43 million were seized, along with certain other documents. Our Company has made several petitions for release of the same on account of the gold bars being part of stock-in-trade. Additionally, basis our request to provide an unconditional and irrevocable bank guarantee in lieu of release of the seized gold bars, our Company received and acknowledgment letter from the Income Tax Department to provide an unconditional and irrevocable bank guarantee of ₹ 10.00 million for release of the seized gold bars, which our Company provided. However, till date the Income Tax Department has not disposed off such petitions and the gold bars continue to remain in the custody of the Income Tax Department.

During the searches at our Individual Promoters’ residence, the Income Tax Department found, amongst others, the following (as set out by the ITD in its letter dated July 20, 2018): (a) cash amounting to ₹ 0.46 million; and (b) jewellery or other precious metal having a market value (as determined by the ITD valuer) of ₹33.5 million. Further, operations of certain bank accounts and bank lockers of our Individual Promoter were temporarily suspended by way of prohibitory orders issued under Section 132(3) of the IT Act dated December 20, 2016. The ADIT had also by way of a letter dated December 28, 2016 issued a prohibitory order under Section 132(3) of the IT Act directing the Bank of Nova Scotia to stop all operations with our Company (in relation to the margin account of the Company) including the fixed deposits made by our Company which were pledged as security, due to the pendency of the search and seizure action against the Company. Our Company had responded to the abovementioned letter by way of its letters dated December 29, 2016 and January 19, 2017. These prohibitory orders were withdrawn by the ITD by way of withdrawal order dated February 27, 2017, wherein the ADIT communicated to the Company its decision to revoke its prohibitory order placed upon the account of the Company maintained with the Bank of Nova Scotia.

Pursuant to the search and seizures that were conducted our Company was issued notices by the Assistant Commissioner of Income Tax, Central Circle – 4(1), Kolkata, dated October 31, 2017, under Section 153A of the IT Act, initiating block assessment. Our Company has responded to the above notice by way of a submission dated February 2, 2018. Additionally, by way of notices under Section 142(1) and Section 143(2) of the IT Act issued by the Deputy Commissioner of Income Tax, Central Circle – 4(1), Kolkata in the year 2018, certain additional information and documents were sought in relation to seven assessment years, being assessment years 2011 – 2012 to 2017 – 2018. Our Company had provided replies to such notices providing the requisite information and documents.

Our Company also received a show cause notice dated December 19, 2018 in connection with the abovementioned search and seizure related scrutiny assessment proceedings for the assessment year 2017-2018, asking us to explain as to why, *interalia* our books of accounts shall not be rejected in terms of the provisions of Section 145 of the IT Act and the differential amounts shall not be treated as our undisclosed income with respect to the sale of gold on November 8, 2016. We filed our reply dated December 24, 2018, providing our response to the abovementioned show cause notice.

Our Company received assessment orders dated December 31, 2018 for the assessment years 2011 – 2012 to 2017 – 2018 from Assistant Commissioner, Central Circle – 4(1), Kolkata with respect to demands of various sums for the abovementioned assessment years for to which our Company has filed appeal to the Commissioner of Income-tax *vide* Form-35 for each of the assessment years 2011-2012 to 2017-2018. Post our appeals, we have received rectification orders for the assessment years 2011-12, 2012-2013 and 2013-14. With respect to the assessment year 2014-2015, our appeal was disallowed by the Commissioner of Income-tax. Our Company filed an appeal before the Income Tax Appellate Tribunal (“ITAT”). The ITAT *vide* its order dated January 22, 2020 allowed our appeal. A new assessment order dated March 18, 2021, was received by our Company from the Assistant Commissioner of Income Tax, Central CIR 4(1), Kolkata allowing a refund order to our Company. We have not received any demand for the assessment years 2016-2017.

However, we have received notice under Section 148A of the IT Act 1961 relating to assessment year 2016-17, in relation to query on a property taken on sub-lease from M/s Hahnemann Publishing Co Pvt Ltd and M/s Dedico Reality Private Limited. We have submitted a reply on April 13, 2023. In this matter the Department has alleged that Assessee has not given the satisfactory explanation with source in respect of the payment of ₹ 1.15 million and Stamp Duty of ₹ 8.05 million. The AO has passed the Order dated April 18, 2023 u/s 148A (b) of IT Act and stated that it is a fit case for issuing notice u/s 148.

Thereafter, we have filed our reply dated May 30, 2023, against the above Notice. Now the matter is pending before the Deputy Commissioner of Income Tax, Kolkata. Finally, for Assessment year AY 2015-16, a refund order has been passed by AO post allowing of entire TDS amount of ₹ 4.81 million through rectifying the Order passed by AO on May 11, 2023. Apart from that the matter is presently pending before the Commissioner of Income-tax (Appeals) for assessment years 2017-2018 with respect to the demand orders of ₹ 74.74 million. A notice dated November 30, 2024 has been issued from CIT(A) Kolkata-27 for personal hearing for AY 2017-18 which has been fixed on December 16, 2024.

Our Company had also received summons under Section 131 of the IT Act from the Office of Deputy Director of Income Tax (Investigation), Unit 3(3), Mumbai and Office of the Assistant Director of the Income Tax (Investigation)-II asking us to provide our books of documents and other relevant information and documents which our Company duly provided.

Further, we received noticed dated February 4, 2019 along with a reminder on February 5, 2021, under Section 133(6) from Assistant Director of Income-Tax (Investigation), Unit-I, Ranchi seeking information under Section 131(IA) of the IT Act requesting us to send the copies of KYC details submitted by customers in relation to their purchase of gold on November 8, 2016 from our Ranchi office.

Subsequently, we received a notice dated March 11, 2021 from the Assistant Commissioner, Central CIR 4(1), Kolkata under Section 148 of the IT Act for re-assessment of income for the assessment year 2017-18, asking us to deliver a return in the prescribed form for assessment year 2017-18. Subsequent notice for re-assessment for the assessment year 2017-18 was received from the Assistant Commissioner, Central CIR 4(I), Kolkata on October 8, 2021. We filed a return under Section 148 of the IT Act on October 19, 2021 and provided our reply to the abovementioned notices mentioning that we have filed our reassessment return under Section 148 of the IT Act and requested the Assistant Commissioner, Central CIR 4(1), Kolkata to provide us the basis of reopening the assessment for the year 2017-18 to which we received a reply dated January 25, 2022 from Assistant Commissioner, Central CIR 4(1), Kolkata. Further notices were received by our Company on the abovementioned reassessment for the assessment year 2017-18 seeking further information and documents from our Company to which we have replied. We have received a notice dated March 22, 2022 under Section 274 read with Section 270A of the IT Act together with a demand order dated March 22, 2022, from Assistant Commissioner, Central CIR 4(1), Kolkata under Section 143(3)/147 read with Section 156 of the IT Act for an amount of ₹ 28.92 million for under reporting of income for the assessment year 2017-18. Further, we have also been asked to appear before the Assistant Commissioner of the Income Tax, Central CIR 4(1), Kolkata

on May 10, 2022 to show cause as to why an order imposing a penalty on us should not be made under Section 270A of the IT Act. Our Company has filed Form-35, appealing to the Commissioner of Income-Tax, Central CIR 4(1), Kolkata against the abovementioned demand order. The matter is presently pending. Nevertheless, the said demand of ₹ 28.92 million has been adjusted with the refund amount of ₹ 58.47 million against AY 2021-22 vide Order dated 15.03.2024.

Further, the Deputy Director of Income Tax (Investigation), Unit-2(1), Kolkata filed a criminal complaint against our Company and our Individual Promoter and Director, namely, Suvankar Sen under Section 277A of the IT Act alleging that our Company had accepted old and illegal tender, post demonetization, on November 8, 2016; and that sales recorded in the books of accounts of our Company as having been made on November 8, 2016 were actually made post November 8, 2016 and were deliberately recorded as having been made on November 8, 2016 in the books of the Company. The matter was further heard on September 06, 2022, wherein the Judicial Magistrate, First Court, Alipore directed the Officer in Charge Rabindra Sarobar Police Station to submit the pending report. Post the same, the matter was heard on November 15, 2022, January 20, 2023, April 3, 2023 and was last heard on May 31, 2023 for the purpose of evidence. Evidences were submitted before the Judicial Magistrate on March 27, 2024. Even though the next date of hearing was scheduled for November 7, 2024, no hearing took place. Moreover, no further hearing date has been allotted. The matter is currently pending before the Judicial Magistrate, First Court, Alipore. The next date of hearing is scheduled for April 28, 2025.

Additionally, we have been subject to a spot search by customs authorities on April 12, 2022 in connection with an authorized search at the premises of Unique Chains Private Limited, one of our Job Worker and vendor. Subsequently, the Superintendent of Customs (Preventive), Preventive & Intelligence Branch, issued a spot summons under Section 108 of the Customs Act, 1962 to one of our employees, Debjit Mallick, General Manager (Production). Pursuant to the search at our Registered and Corporate Office, we were asked for submission of requisite documents for clarification of discrepancies as noticed during the search at the business-cum-office premise of Unique Chains Private Limited. We have submitted the documents and such documents have been taken in to custody vide the search list under Section 105 of the Customs Act, 1962.

### 3. *Search, seizure and show cause cum demand notice under Central Excise Act, 1944*

Our Company received a communication dated November 22, 2016 from the Directorate General of Central Excise Intelligence, Kolkata (“**DGCEI**”) under Central Excise Act, 1944, for submission of addresses of branches/outlets, records of opening and closing balance of gold, diamond, precious stone stud gold jewellery and silver jewellery as on March 1, 2016, quantity of gold/ precious stone stud gold jewellery, silver jewellery and other items manufactured and cleared/sold, value of such manufactured articles, central excise duty paid on sch goods cleared/sold from factory and certain other information. Our Company *vide* its letter dated December 26, 2016, provided the details of productions and clearance of gold jewellery.

On January 6, 2017, an on spot search was conducted at our Registered Office and Corporate Office, at our manufacturing facility located at Rabindra Sarani, Kolkata, West Bengal and at two of our Company Operated Showrooms located at Kolkata, by officials of the DGCEI. In the course of the search, the DGCEI officials inspected and seized certain documents from the searched premises. Thereafter, DGCEI issued several notices of summons between January 7, 2017 to February 28, 2017 to our Company, our Director, Suvankar Sen, for personal appearance and provision of information and documents, of which last summon proceedings was held on March 6, 2017. Subsequently, our Company received a request for certain clarification from DGCEI on availment of input service credit and reversal/payment of amount in respect of clearance of exempted goods during the March 2016, financial year 2016-17 and up to June 2017. Our Company has from time to time provided information and clarifications requested by the officials of the DGCEI including replies dated September 1, 2020 and September 8, 2020.

Our Company received a show cause cum demand notice dated May 31, 2021, from DGCEI (“**SCN**”) alleging that our Company has contravened Section 3 of the Central Excise Act, 1944 read with Rule 4 of the Central Excise Rules, 2002 and Rules 6(3), 8 and 12 of the Central Excise Rules, 2002. Further, the SCN also stated as to why the central excise duty of ₹ 68.85 million should not be demanded from our Company under Section 11A of the Central Excise Act, 1944 along with interest and penalties and wrongly availed CENVAT credit should not be recovered from our Company. However, our Company had voluntarily paid an amount of ₹ 33.99 million between January 4, 2017 and January 6, 2017 and ₹ 34.86 million through utilisation of input service credit amounting to ₹ 68.85 million.

Further, our Company has provided a detailed reply to the SCN to Additional Director General, DGCEI, on July 27, 2021, praying that the SCN should be dropped and set aside as the penalty under the Section 11AC of the Central Excise Act, 1944 is not applicable in the event the entire excise duty and interest under Section 11AA of the Central Excise Act, 1944 is paid prior to the issuance of the SCN. Thereafter, our Company has received hearing notice from the department for adjudication of the matter. An order been passed by the Principal Commissioner, GST Kolkata wherein the following demand has been confirmed: (i) demand of CENVAT Credit of ₹ 15.93 million under Rule 14 of CENVAT Credit Rule 2004 along with Interest at an appropriate rate in terms of section 11AA of CEA 1944; (ii) penalty of ₹ 68.85 million under section 11AC(1)(c ) of CEA 1944; and (iii) penalty of ₹ 20.72 million under Rule 15(2) of CENVAT Credit Rules read with section 11AC(1)(e ) of CEA 1944.

We have filed an appeal before CESTAT, Kolkata on April 23, 2024 against the order and the matter is currently pending before CESTAT Kolkata.

4. *Summon order under Section 14B of the Employees Provident Fund and Miscellaneous Provisions Act, 1952*

Our Company received a summon order to appear for hearing under Section 14B of the Employees' Provident Fund and Miscellaneous Provisions Act, 1952, before the Regional Provident Fund Commissioner, Kolkata, ("**Commissioner**") for belated remittance made during the period August 1, 2011 to May 30, 2021. Pursuant to the virtual hearing held on August 4, 2021 in furtherance to the summon order, the Company submitted a response dated August 25, 2021 ("**Response**") to the Commissioner requesting for cancellation of the arrear and subsequent interest payments. Our Company in its Response also stated that it had erroneously submitted a consolidated challan in relation the provident fund payments for the periods of April, May and June 2019 instead of separate challans. Our Company is currently awaiting for a response from the Commissioner in relation to the Response submitted by the Company.

5. *Show cause notice from the Chairman, Bongaon Municipality*

The trade license given to our Directors, Suvankar Sen and Ranjana Sen to carry on trade/business at Commercial Building, Town Kalibari Market, Jessore Road, Bata More, Bongaon Municipality, Bongaon, North 24 Paraganas, West Bengal was cancelled by the Bongaon Municipality with effect from July 4, 2022 on grounds that serious complaints have been raised by National Highways Authority of India against the construction of the entire building by way of encroachment of land of National Highways Authority of India. Further, a show cause notice dated August 17, 2022 from the Office of Bongaon Municipality was received by our Directors, Suvankar Sen and Ranjana Sen and our Company in relation to the above mentioned trade license and for wide publicity through display hordings without obtaining any permission from the authority. We have replied to the abovementioned show cause notice vide our reply dated August 29, 2022, requesting for grant of trade license which was cancelled earlier. Our Company has not received any further communication in this matter.

6. *Notice from Serious Fraud Investigation Officer, Ministry of Corporate Affairs,*

Our Company received a notice dated August 10, 2022 from the Serious Fraud Investigation Officer, Ministry of Corporate Affairs under Section 217(2) of the Companies Act ("**Notice**") to provide information/documents as per the Notice. The Serious Fraud Investigation Officer, Ministry of Corporate Affairs has initiated investigation into the affairs of Kanishk Gold Private Limited and 16 other companies. Accordingly, our Company has been directed to provide information/documents in relation to the transactions with Kanishk Gold Private Limited by August 16, 2022. Our Company by way of its reply dated November 14, 2023, has provided the information/documents sought with relation to the transactions with Kanishk Gold Private Limited. Our Company has not received any further communication in this matter.

7. *Showcase notices from Labour Enforcement Officer, Lucknow*

Our Company had received show cause notices from the Labour Enforcement Officer, Lucknow in relation to two of our showrooms in Lucknow for payment of cess under the Building and Other Construction Workers (Regulation of Employment. And Conditions of Service) Act, 1996 for renovation works undertaken at our showrooms through contractors. Subsequently, petitions were filled before the Presiding Officer and Labour Commissioner, Lucknow. Our Company has filed its replies before the

Presiding Officer and Labour Commissioner, Lucknow. Subsequently, our Company has made the cess payments held due to us under the Building and Other Construction Workers (Regulation of Employment, And Conditions of Service) Act, 1996. The matter is currently pending.

**8. Notice from Joint Labour Commissioner, Labour Department, NCT of Delhi**

Our Company has received a notice for appearance from the office of Joint Labour Commissioner, Labour Department, National Capital Territory of Delhi, wherein we were directed to report and file the compliance of the statutory records under Minimum Wages Act, 1948 and rules made thereunder and also under Delhi Shops & Establishment Act, 1954, of employees working on National/Festival Holiday on October 13, 2022 at 1100 hours with original records.

Our Company has replied to the notice submitting that the management is complying /acting in consonance with all the applicable provisions of Law including the ones as mentioned in the above-mentioned notice along with a compliance report. The matter is currently pending.

**9. Fine levied by Stock Exchanges**

A fine of ₹ 0.01 million (including GST) has been levied by each of BSE Limited and National Stock Exchange of India Limited against our Company, for delayed compliance with Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, i.e. filing of voting results for the 30th Annual General Meeting in the XBRL mode. While ,our Company had filed the *pdf* version of the voting results within the timeline, however, due to technical difficulties, the XBRL file could not be filed and uploaded on the same day. Upon resolution of the technical issue, it was filed on the next day, leading to a delay of 1 day. We had also filed a waiver application along with the facts of the case and the supporting documents with the stock exchanges, however the same was rejected.

Our Company has paid the fine to both the exchanges.

**10. Notice from Labour Enforcement Officer, Lucknow**

Our Company has received a show cause notice from the Labour Enforcement Officer, Lucknow for payment of cess under the Budlings and Other Construction Workers (Regulation of Employment and Condition of Service) Act, 1996 in relation to two of its showrooms in Lucknow, Uttar Pradesh, for renovation work undertaken at the showrooms through contractors. The company has made the due payment. The matter is currently pending before the Labour Commissioner Lucknow.

**Litigation involving our Subsidiaries**

**A. Criminal proceedings involving our Subsidiaries**

*Outstanding criminal proceedings initiated against our Subsidiaries*

Nil

*Outstanding criminal proceedings initiated by our Subsidiaries*

Nil

**B. Material civil litigation involving our Subsidiaries**

*Outstanding material civil proceedings initiated against our Subsidiaries*

Nil

*Outstanding material civil initiated by our Subsidiaries*

Nil

**C. Actions taken by regulatory and statutory authorities involving our Subsidiaries**

Nil

### **Litigation involving our Promoters**

#### **A. Criminal proceedings involving our Promoters**

*Outstanding criminal proceedings initiated against our Promoters*

For details in relation to outstanding criminal proceedings initiated against our Promoters, please refer to “*Outstanding criminal proceedings initiated against our Company*”

*Outstanding criminal proceedings initiated by our Promoters*

Nil

#### **B. Material civil litigation involving our Promoters**

*Outstanding civil proceedings initiated against our Promoters*

For details in relation to outstanding civil proceedings initiated against our Promoters, please refer to “*Outstanding civil proceedings initiated against our Company*”

*Outstanding civil proceedings initiated by our Promoters*

Nil

#### **C. Actions taken by regulatory and statutory authorities involving our Promoters**

For details in relation to actions taken by regulatory and statutory authorities involving our Promoters please refer to “*Actions taken by regulatory and statutory authorities involving our Company*”

#### **D. Litigation or legal action pending or taken by any ministry or department of the Government or a statutory authority against our Promoters during the last three years**

For details in relation to litigation or legal action pending or taken by any ministry or department of the Government or a statutory authority against our Promoters during the last three years, please refer to “*Actions taken by regulatory and statutory authorities involving our Company*”

### **Litigation involving our Directors**

#### **A. Criminal proceedings involving our Directors**

*Outstanding criminal proceedings initiated against our Directors*

For details in relation to outstanding criminal proceedings initiated against our Directors, please refer to “*Outstanding criminal proceedings initiated against our Company*”

*Outstanding criminal proceedings initiated by our Directors*

Nil

#### **B. Material civil litigation involving our Directors**

*Outstanding civil proceedings initiated against our Directors*

For details in relation to outstanding civil proceedings initiated against our Directors, please refer to “*Outstanding civil proceedings initiated against our Company*”

*Outstanding civil proceedings initiated by our Directors*

Nil

**C. Actions taken by regulatory and statutory authorities involving our Directors**

For details in relation to actions taken by regulatory and statutory authorities involving our Directors, please refer to “Actions taken by regulatory and statutory authorities involving our Company”

**Other outstanding litigation involving our Company, Promoters, Directors and Subsidiaries wherein the aggregated amount involved is not quantifiable, but which could have a material adverse effect on the business and operations of our Company.**

Nil

**Tax proceedings involving our Company, our Promoters, our Directors and our Subsidiaries**

We have set out below claims relating to direct and indirect taxes involving our Company, Directors and our Subsidiaries, as on the date of this Preliminary Placement Document, giving details of number of cases and total amount involved in all such claims:

| Nature of proceedings | Number of outstanding proceedings | Amount involved (in ₹ million)* |
|-----------------------|-----------------------------------|---------------------------------|
| <b>Company</b>        |                                   |                                 |
| Direct tax            | 9                                 | 147.95                          |
| Indirect tax          | 9                                 | 171.03                          |
| <b>Promoters</b>      |                                   |                                 |
| Direct tax            | Nil                               | NA                              |
| Indirect tax          | Nil                               | NA                              |
| <b>Directors</b>      |                                   |                                 |
| Direct tax            | Nil                               | NA                              |
| Indirect tax          | Nil                               | NA                              |
| <b>Subsidiaries</b>   |                                   |                                 |
| Direct tax            | Nil                               | NA                              |
| Indirect tax          | Nil                               | NA                              |

\* To the extent quantifiable

**I. Inquiries, inspections, or investigations under the Companies Act initiated or conducted in the last three years**

Nil

**II. Details of acts of material frauds committed against our Company in the last three years, if any, and if so, the action taken by our Company**

Nil

**III. Details of significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations**

Nil

**IV. Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of statutory dues; debentures and interests thereon; deposits and interest thereon; and loan from any bank or financial institution and interest thereon by our Company, on a consolidated basis**

Nil

**V. Details of defaults in annual filing of our Company under the Companies Act and the rules made thereunder**

Nil

## **STATUTORY AUDITORS**

In terms of the provisions of Sections 139, 142 and other applicable provisions of the Companies Act read with Rule 3 of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force), Walker Chandiok & Co LLP, were re-appointed as the Statutory Auditors of our Company pursuant to a resolution adopted by our Shareholders dated September 13, 2024.

The Audited Consolidated Financial Statements for Fiscals 2024, 2023 and 2022 have been audited by our Statutory Auditors.

The Unaudited Consolidated Financial Results for the six months ended September 30, 2024 have been subject to limited review by our Statutory Auditors.

The peer review certificate of our Statutory Auditors is valid as of the date of this Preliminary Placement Document.

## GENERAL INFORMATION

1. Our Company was originally incorporated on August 22, 1994, under the Companies Act, 1956 as Senco Gold Private Limited, pursuant to a certificate of incorporation issued by the Registrar of Companies, West Bengal at Kolkata. Subsequently, pursuant to a resolution passed at the meeting of the Board of Directors held on June 27, 2007, and a special resolution of the shareholders of our Company at the EGM held on August 8, 2007, the name of our Company was changed to Senco Gold Limited, pursuant to its conversion into a public limited company. A fresh certificate of incorporation dated August 31, 2007, consequent to the change of name, was issued by the RoC. Our Company was converted to a public limited company in order to expand its activities in the field of the jewellery business.
2. Our Equity Shares have been listed on BSE and NSE since July 14, 2023.
3. The Registered and Corporate Office of our Company is Diamond Prestige, 41A, A.J.C. Bose Road, 10th floor, Unit no. 1001, Kolkata – 700 017, West Bengal, India. On February 25, 2016, the Registered office has been changed from 7 & 8, CIT Road, Kolkata - 700 014, West Bengal, India to Diamond Prestige, 41A, A.J.C Bose Road, 10<sup>th</sup> floor, Unit no. 1001, Kolkata - 700 017, West Bengal, India.
4. The CIN of our Company is L36911WB1994PLC064637.
5. Our Company has received in-principle approvals to list the Equity Shares to be issued pursuant to the Issue from BSE and NSE, each on December 10, 2024, under Regulation 28(1) of the SEBI Listing Regulations.
6. The website of our Company is [www.sencogoldanddiamonds.com](http://www.sencogoldanddiamonds.com).
7. The authorised share capital of our Company comprises 100,000,000 Equity Shares of face value of ₹ 10 each aggregating to ₹ 1,000,000,000 and 14,000,000 CCPS of face value of ₹ 10 each aggregating to ₹ 140,000,000. As on the date of this Preliminary Placement Document, the issued, subscribed and paid-up share capital of our Company comprises 77,722,448 Equity Shares of face value of ₹ 10 each aggregating to ₹ 777,224,480. The Equity Shares are listed on BSE and NSE. For further details, please refer to the section titled “*Capital Structure*” on page 112\*.  
  
*\*Our Board of Directors pursuant to their resolution dated October 4, 2024 and our Shareholders pursuant to a special resolution passed by way of a postal ballot on November 26, 2024, have approved the sub-division of each equity share of our Company of face value ₹ 10 each into 2 equity shares of face value of ₹ 5 each. However, as on the date of this PPD, we are yet to give effect to the sub-division including announcement of the record date for effecting the sub-division and completion of the corporate actions thereunder.*
8. The Issue was authorised and approved by the Board pursuant to the resolution dated October 4, 2024 and by our Shareholders’ pursuant to the special resolution passed by way of postal ballot on November 26, 2024.
9. In compliance with Regulation 173A of the SEBI ICDR Regulations, our Company has appointed CARE Ratings Limited, for monitoring the utilisation of the proceeds in relation to the Issue. The Monitoring Agency will submit its report to us on a quarterly basis in accordance with the SEBI ICDR Regulations. Our Company shall, within 45 days from the end of each quarter, upload the report of the Monitoring Agency on our website and also submit the same to the Stock Exchanges.
10. Copies of our Memorandum of Association and Articles of Association will be available for inspection between 10:30 am to 5:30 pm on any weekday (except Saturdays and public holidays) at our Registered Office.
11. Our Company has obtained all necessary consents, approvals and authorisations as may be required in connection with the Issue.
12. Except as disclosed in this Preliminary Placement Document, there has been no material change in the financial or trading position of our Company since March 31, 2024, the last date of the Audited Consolidated Financial Statements prepared in accordance with applicable accounting standards included in this Preliminary Placement Document.

13. Except as disclosed in this Preliminary Placement Document, there are no material litigation or arbitration proceedings against or affecting us, or our assets or revenues, nor are we aware of any pending or threatened litigation or arbitration proceedings, which are or might be material in the context of this Issue. For further details, please refer to the section titled “*Legal Proceedings*” on page 301.
14. The Issue will not result in a change in control of our Company.
15. Our Company is in compliance with the minimum public shareholding requirements as required under the SEBI Listing Regulations and Rule 19A of the SCRR.
16. The Floor Price is ₹ 1,139.49 per Equity Share, calculated in accordance with the provisions of Chapter VI of the SEBI ICDR Regulations. Our Company may offer a discount of not more than 5% on the Floor Price in accordance with the approval of our Board pursuant to its resolution dated October 4, 2024 and a special resolution passed by our Shareholders by way of postal ballot on November 26, 2024 and Regulation 176(1) of the SEBI ICDR Regulations.
17. Our Company and the BRLMs accept no responsibility for statements made otherwise than in this Preliminary Placement Document and anyone placing reliance on any other source of information, including websites of our Company would be doing so at their own risk.
18. Mukund Chandak is the Company Secretary and Compliance Officer of our Company. His details are as follows:

**Mukund Chandak**

**Address:**, Diamond Prestige, 41A AJC Bose Road,  
10<sup>th</sup> floor, Kolkata, West Bengal – 700 017

**Telephone:** 033 4021 5000

**E-mail:** corporate@sencogold.co.in

## FINANCIAL INFORMATION

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Walker Chandio & Co LLP  
Unit 1603 & 1604, EcoCenter,  
Plot No 4, Street No 13  
EM Block, Sector V,  
Bidhannagar,  
Kolkata - 700 091  
West Bengal, India  
T +91 33 4444 9320

**Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results and Year to Date Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)**

To the Board of Directors of **Senco Gold Limited**

1. We have reviewed the accompanying statement of unaudited consolidated financial results ('the Statement') of **Senco Gold Limited** ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), (refer Annexure 1 for the list of subsidiaries included in the Statement) for the quarter ended 30 September 2024 and the consolidated year to date results for the period 01 April 2024 to 30 September 2024, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations').
2. This Statement, which is the responsibility of the Holding Company's management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019 issued by the SEBI under Regulation 33 (8) of the Listing Regulation, to the extent applicable.



Chartered Accountants

Offices in Ahmedabad, Bengaluru, Chandigarh, Chennai, Dehradun, Goa, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandio & Co LLP is registered with limited liability with identification number AAC-2085 and has its registered office at L-41, Connaught Circus, Outer Circle, New Delhi, 110001, India

## Walker Chandiook & Co LLP

### Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results and Year to Date Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (cont'd)

4. Based on our review conducted and procedures performed as stated in paragraph 3 above and upon consideration of the review report of other auditors referred to in paragraph 5 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We did not review the interim financial results of one subsidiary included in the Statement whose financial information reflects total assets of ₹ 524.42 million as at 30 September 2024 and total revenues of ₹ 526.30 million and ₹ 651.81 million, total net loss after tax of ₹ 16.53 million and ₹ 32.21 million and total comprehensive income of ₹ 15.99 million and ₹ 17.15 million, for the quarter and six months period ended on 30 September 2024 respectively and cash flows (net) of ₹ 3.60 million for the period ended 30 September 2024, as considered in the Statement. These interim financial results have been reviewed by other auditors whose review reports have been furnished to us by the management, and our conclusion in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on the review report of such other auditors and the procedures performed by us as stated in paragraph 3 above.

Our conclusion is not modified in respect of this matter with respect to our reliance on the work done by and the reports of the other auditors.

**For Walker Chandiook & Co LLP**  
Chartered Accountants  
Firm Registration No: 001076N/N500013

*Rajni Mundra..*

**Rajni Mundra**  
Partner  
Membership No. 058644  
UDIN: 24058644BKFUIM7290



**Place:** Kolkata  
**Date:** 13 November 2024

## Walker Chandio & Co LLP

Annexure 1 to the Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results and Year to Date Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

### Annexure 1

#### List of entities included in the Statement.

| Name of the entity                     | Relationship |
|----------------------------------------|--------------|
| Senco Gold Artisanship Private Limited | Subsidiary   |
| Senco Global Jewellery Trading LLC     | Subsidiary   |

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Senco Gold Limited  
Registered Office: "Diamond Prestige", 10th Floor, 41A, AJC Bose Road, Kolkata-700017; (T): +91 33 4021 5000  
CIN: L36911WB1994PLC064637  
E-mail: corporate@sencogold.co.in ; Website: www.sencogoldanddiamonds.com

A. Statement of Unaudited Consolidated Financial Results for the quarter and six months ended 30 September 2024

(Amount in ₹ millions, except otherwise stated)

| Sl. No. | Particulars                                                              | Three months ended               |                             |                                  | Six months ended                 |                                  | Year ended                 |
|---------|--------------------------------------------------------------------------|----------------------------------|-----------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------|
|         |                                                                          | 30 September 2024<br>(Unaudited) | 30 June 2024<br>(Unaudited) | 30 September 2023<br>(Unaudited) | 30 September 2024<br>(Unaudited) | 30 September 2023<br>(Unaudited) | 31 March 2024<br>(Audited) |
|         | <b>Income</b>                                                            |                                  |                             |                                  |                                  |                                  |                            |
| I.      | Revenue from operations                                                  | 15,004.87                        | 14,038.89                   | 11,465.57                        | 29,043.76                        | 24,519.57                        | 52,414.43                  |
| II.     | Other income                                                             | 149.14                           | 122.88                      | 110.34                           | 272.02                           | 204.80                           | 422.40                     |
| III.    | <b>Total income (I + II)</b>                                             | <b>15,154.01</b>                 | <b>14,161.77</b>            | <b>11,575.91</b>                 | <b>29,315.78</b>                 | <b>24,724.37</b>                 | <b>52,836.83</b>           |
|         | <b>Expenses</b>                                                          |                                  |                             |                                  |                                  |                                  |                            |
| a)      | Cost of materials consumed                                               | 12,711.91                        | 10,745.69                   | 9,192.69                         | 23,457.60                        | 18,719.35                        | 38,971.70                  |
| b)      | Purchases of stock-in-trade                                              | 3,392.89                         | 4,027.28                    | 2,249.38                         | 7,420.17                         | 5,029.59                         | 10,084.14                  |
| c)      | Changes in inventories of finished goods and stock-in-trade              | (2,938.45)                       | (3,162.04)                  | (1,330.89)                       | (6,100.49)                       | (2,216.08)                       | (4,655.31)                 |
| d)      | Employee benefits expense                                                | 333.41                           | 339.54                      | 253.20                           | 672.95                           | 507.13                           | 1,112.29                   |
| e)      | Finance costs                                                            | 326.27                           | 321.60                      | 233.58                           | 647.87                           | 499.95                           | 1,081.03                   |
| f)      | Depreciation and amortisation expense                                    | 178.40                           | 180.70                      | 132.51                           | 359.10                           | 258.02                           | 601.09                     |
| g)      | Other expenses                                                           | 985.88                           | 1,001.03                    | 706.37                           | 1,986.91                         | 1,412.78                         | 3,146.51                   |
|         | <b>Total expenses</b>                                                    | <b>14,990.31</b>                 | <b>13,453.80</b>            | <b>11,436.84</b>                 | <b>28,444.11</b>                 | <b>24,210.74</b>                 | <b>50,341.45</b>           |
| V.      | <b>Profit before tax for the period/ year (III - IV)</b>                 | <b>163.70</b>                    | <b>707.97</b>               | <b>139.07</b>                    | <b>871.67</b>                    | <b>513.63</b>                    | <b>2,495.38</b>            |
| VI.     | <b>Tax expense</b>                                                       |                                  |                             |                                  |                                  |                                  |                            |
| -       | Current tax                                                              | 55.59                            | 220.38                      | 26.26                            | 275.97                           | 135.66                           | 728.02                     |
| -       | Deferred tax credit                                                      | (13.11)                          | (25.13)                     | (6.67)                           | (38.24)                          | (18.19)                          | (42.68)                    |
|         | <b>Total tax expense</b>                                                 | <b>42.48</b>                     | <b>195.25</b>               | <b>19.59</b>                     | <b>237.73</b>                    | <b>117.47</b>                    | <b>685.34</b>              |
| VII.    | <b>Profit after tax for the period/ year (V-VI)</b>                      | <b>121.22</b>                    | <b>512.72</b>               | <b>119.48</b>                    | <b>633.94</b>                    | <b>396.16</b>                    | <b>1,810.04</b>            |
| VIII.   | <b>Other comprehensive income (OCI)</b>                                  |                                  |                             |                                  |                                  |                                  |                            |
|         | <b>Items that will not be reclassified to profit and loss:</b>           |                                  |                             |                                  |                                  |                                  |                            |
| (a)     | - Remeasurement of defined benefit plans                                 | 8.89                             | (6.28)                      | (16.76)                          | 2.61                             | (18.60)                          | (25.20)                    |
|         | - Income-tax effect on above                                             | (2.24)                           | 1.58                        | 4.22                             | (0.66)                           | 4.68                             | 6.34                       |
| (b)     | - Gain on fair valuation of equity instruments                           | -                                | -                           | -                                | -                                | -                                | 0.18                       |
|         | - Income-tax effect on above                                             | -                                | -                           | -                                | -                                | -                                | (0.05)                     |
|         | <b>Items that will be reclassified to profit and loss:</b>               |                                  |                             |                                  |                                  |                                  |                            |
| -       | Foreign currency translation difference                                  | 14.96                            | (1.43)                      | -                                | 13.53                            | -                                | (1.86)                     |
| -       | Income-tax effect on above                                               | -                                | -                           | -                                | -                                | -                                | -                          |
|         | <b>Other comprehensive income for the period/ year</b>                   | <b>21.61</b>                     | <b>(6.13)</b>               | <b>(12.54)</b>                   | <b>15.48</b>                     | <b>(13.92)</b>                   | <b>(20.59)</b>             |
| IX.     | <b>Total comprehensive income for the period/ year (VII+VIII)</b>        | <b>142.83</b>                    | <b>506.59</b>               | <b>106.94</b>                    | <b>649.42</b>                    | <b>382.24</b>                    | <b>1,789.45</b>            |
| X.      | <b>Profit after tax for the period/ year attributable to:</b>            |                                  |                             |                                  |                                  |                                  |                            |
| -       | Owners of the Holding Company                                            | 121.22                           | 512.72                      | 119.48                           | 633.94                           | 396.16                           | 1,810.04                   |
| -       | Non-controlling interest                                                 | -                                | -                           | -                                | -                                | -                                | -                          |
|         | <b>Other comprehensive income for the period/ year attributable to :</b> | <b>121.22</b>                    | <b>512.72</b>               | <b>119.48</b>                    | <b>633.94</b>                    | <b>396.16</b>                    | <b>1,810.04</b>            |
| -       | Owners of the Holding Company                                            | 21.61                            | (6.13)                      | (12.54)                          | 15.48                            | (13.92)                          | (20.59)                    |
| -       | Non-controlling interest                                                 | -                                | -                           | -                                | -                                | -                                | -                          |
|         | <b>Total comprehensive income for the period/ year attributable to :</b> | <b>21.61</b>                     | <b>(6.13)</b>               | <b>(12.54)</b>                   | <b>15.48</b>                     | <b>(13.92)</b>                   | <b>(20.59)</b>             |
| -       | Owners of the Holding Company                                            | 142.83                           | 506.59                      | 106.94                           | 649.42                           | 382.24                           | 1,789.45                   |
| -       | Non-controlling interest                                                 | -                                | -                           | -                                | -                                | -                                | -                          |
|         | <b>XI. Paid-up equity share capital</b><br>(Face value of ₹ 10 each )    | <b>777.22</b>                    | <b>777.04</b>               | <b>776.63</b>                    | <b>777.22</b>                    | <b>776.63</b>                    | <b>777.04</b>              |
| XII.    | <b>Other equity</b>                                                      |                                  |                             |                                  |                                  |                                  | <b>12,878.38</b>           |
| XIII.   | <b>Earnings per equity share (EPS) ( in ₹ )</b><br>(* not annualised)    |                                  |                             |                                  |                                  |                                  |                            |
| Basic   |                                                                          | 1.56 *                           | 6.63 *                      | 2.01 *                           | 8.16 *                           | 6.66 *                           | 24.06                      |
| Diluted |                                                                          | 1.56 *                           | 6.61 *                      | 2.00 *                           | 8.13 *                           | 6.63 *                           | 23.98                      |

See accompanying notes to the unaudited consolidated financial results.



*Swankar Sen*



*Sg.*

*Swankar Sen*

**Senco Gold Limited**

**B. Consolidated Statement of Assets and Liabilities**

(Amount in ₹ millions, except otherwise stated)

|                                                                                            | As at<br>30 September 2024<br>(Unaudited) | As at<br>31 March 2024<br>(Audited) |
|--------------------------------------------------------------------------------------------|-------------------------------------------|-------------------------------------|
| <b>ASSETS</b>                                                                              |                                           |                                     |
| <b>(1) Non-current assets</b>                                                              |                                           |                                     |
| (a) Property, plant and equipment                                                          | 1,161.90                                  | 1,158.24                            |
| (b) Capital work-in-progress                                                               | 12.34                                     | 14.94                               |
| (c) Right-of-use assets                                                                    | 2,516.37                                  | 2,434.08                            |
| (d) Intangible assets                                                                      | 30.83                                     | 27.54                               |
| (e) Financial assets                                                                       |                                           |                                     |
| (i) Investments                                                                            | 1.45                                      | 1.45                                |
| (ii) Other financial assets                                                                | 174.69                                    | 303.90                              |
| (f) Deferred tax assets (net)                                                              | 266.66                                    | 228.42                              |
| (g) Income-tax assets (net)                                                                | 173.82                                    | 165.73                              |
| (h) Other non-current assets                                                               | 100.17                                    | 58.55                               |
| <b>Total non-current assets</b>                                                            | <b>4,438.23</b>                           | <b>4,392.85</b>                     |
| <b>(2) Current assets</b>                                                                  |                                           |                                     |
| (a) Inventories                                                                            | 28,943.92                                 | 24,570.19                           |
| (b) Financial assets                                                                       |                                           |                                     |
| (i) Trade receivables                                                                      | 879.96                                    | 528.68                              |
| (ii) Cash and cash equivalents                                                             | 170.07                                    | 185.16                              |
| (iii) Bank balances other than cash and cash equivalents                                   | 5,017.33                                  | 5,328.46                            |
| (iv) Other financial assets                                                                | 1,060.10                                  | 1,545.83                            |
| (c) Other current assets                                                                   | 954.37                                    | 675.41                              |
| <b>Total current assets</b>                                                                | <b>37,025.75</b>                          | <b>32,833.73</b>                    |
| <b>TOTAL ASSETS</b>                                                                        | <b>41,463.98</b>                          | <b>37,226.58</b>                    |
| <b>EQUITY AND LIABILITIES</b>                                                              |                                           |                                     |
| <b>Equity</b>                                                                              |                                           |                                     |
| (a) Equity share capital                                                                   | 777.22                                    | 777.04                              |
| (b) Other equity                                                                           | 13,455.41                                 | 12,878.38                           |
| <b>Total equity</b>                                                                        | <b>14,232.63</b>                          | <b>13,655.42</b>                    |
| <b>Liabilities</b>                                                                         |                                           |                                     |
| <b>(1) Non-current liabilities</b>                                                         |                                           |                                     |
| (a) Financial liabilities                                                                  |                                           |                                     |
| (i) Borrowings                                                                             | 8.59                                      | 10.54                               |
| (ii) Lease liabilities                                                                     | 2,426.49                                  | 2,354.62                            |
| (iii) Other financial liabilities                                                          | 45.28                                     | 43.54                               |
| (b) Provisions                                                                             | 35.96                                     | 28.05                               |
| (c) Other non-current liabilities                                                          | 15.77                                     | 18.93                               |
| <b>Total non-current liabilities</b>                                                       | <b>2,532.09</b>                           | <b>2,455.68</b>                     |
| <b>(2) Current liabilities</b>                                                             |                                           |                                     |
| (a) Financial liabilities                                                                  |                                           |                                     |
| (i) Borrowings                                                                             | 16,144.56                                 | 14,972.85                           |
| (ii) Lease liabilities                                                                     | 310.54                                    | 273.44                              |
| (iii) Trade payables                                                                       |                                           |                                     |
| (a) total outstanding dues of micro enterprises and small enterprises                      | 214.85                                    | 183.27                              |
| (b) total outstanding dues of creditors other than micro enterprises and small enterprises | 4,050.25                                  | 1,885.54                            |
| (iv) Other financial liabilities                                                           | 341.47                                    | 687.16                              |
| (b) Other current liabilities                                                              | 3,565.41                                  | 2,920.72                            |
| (c) Provisions                                                                             | 48.65                                     | 37.81                               |
| (d) Current tax liabilities (net)                                                          | 23.53                                     | 154.69                              |
| <b>Total current liabilities</b>                                                           | <b>24,699.26</b>                          | <b>21,115.48</b>                    |
| <b>Total liabilities</b>                                                                   | <b>27,231.35</b>                          | <b>23,571.16</b>                    |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                                        | <b>41,463.98</b>                          | <b>37,226.58</b>                    |

See accompanying notes to the unaudited consolidated financial results.



*Signature*

*Signature*

*Signature*

**Senco Gold Limited**
**C. Unaudited Statement of Cash Flows**

(Amount in ₹ millions, except otherwise stated)

|                                                                                                                                                  | Period ended<br>30 September 2024 | Period ended<br>30 September 2023 |
|--------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|
| <b>(i) Cash flows from operating activities</b>                                                                                                  |                                   |                                   |
| Profit before tax                                                                                                                                | 871.67                            | 513.63                            |
| Adjustments for:                                                                                                                                 |                                   |                                   |
| Depreciation and amortisation expenses                                                                                                           | 359.10                            | 258.02                            |
| Finance costs                                                                                                                                    | 647.87                            | 499.95                            |
| Share based payment expense                                                                                                                      | 2.30                              | 3.14                              |
| Unrealised foreign exchange gain (net)                                                                                                           | (6.73)                            | (4.07)                            |
| Liabilities no longer required, written back                                                                                                     | (16.24)                           | (37.97)                           |
| Unwinding of interest on security deposits paid                                                                                                  | (10.81)                           | (7.87)                            |
| Gain on lease modification                                                                                                                       | (22.22)                           | 2.06                              |
| Interest income                                                                                                                                  | (200.77)                          | (104.78)                          |
| <b>Operating profit before working capital changes</b>                                                                                           | <b>1,624.17</b>                   | <b>1,122.11</b>                   |
| <b>(Increase) / decrease in assets:</b>                                                                                                          |                                   |                                   |
| Inventories                                                                                                                                      | (4,373.73)                        | (1,758.38)                        |
| Trade receivables                                                                                                                                | (344.55)                          | (211.68)                          |
| Other financial assets                                                                                                                           | 479.93                            | (369.32)                          |
| Other assets                                                                                                                                     | (279.13)                          | (85.97)                           |
| <b>Increase / (decrease) in liabilities:</b>                                                                                                     |                                   |                                   |
| Trade payables                                                                                                                                   | 2,196.29                          | 907.49                            |
| Other financial liabilities                                                                                                                      | (425.60)                          | (450.36)                          |
| Provisions                                                                                                                                       | 21.36                             | 29.46                             |
| Other liabilities                                                                                                                                | 657.77                            | (250.04)                          |
| <b>Cash used in operating activities</b>                                                                                                         | <b>(443.49)</b>                   | <b>(1,066.69)</b>                 |
| Income-taxes paid (net of refunds)                                                                                                               | (382.62)                          | (361.73)                          |
| <b>Net cash used in operating activities</b>                                                                                                     | <b>(826.11)</b>                   | <b>(1,428.42)</b>                 |
| <b>(ii) Cash flows from investing activities</b>                                                                                                 |                                   |                                   |
| Acquisition of property, plant and equipment (including capital work-in-progress) and intangible assets                                          | (193.64)                          | (216.20)                          |
| Interest received                                                                                                                                | 184.20                            | 88.25                             |
| Deposits made during the period                                                                                                                  | 296.96                            | (212.16)                          |
| Changes in bank balances other than cash and cash equivalents                                                                                    | 185.75                            | 341.92                            |
| <b>Net cash generated from/ (used in) investing activities</b>                                                                                   | <b>453.27</b>                     | <b>1.81</b>                       |
| <b>(iii) Cash flows from financing activities</b>                                                                                                |                                   |                                   |
| Proceeds from issue of equity shares                                                                                                             | 5.03                              | 2,510.99                          |
| Dividends paid (net of taxes)                                                                                                                    | -                                 | (15.38)                           |
| Repayment of non-current borrowings                                                                                                              | (1.83)                            | (1.72)                            |
| Proceeds from current borrowings (net)                                                                                                           | 1,171.59                          | (415.37)                          |
| Principal repayment of lease liabilities                                                                                                         | (172.18)                          | (248.00)                          |
| Interest repayment of lease liabilities                                                                                                          | (163.60)                          | (131.59)                          |
| Finance costs paid                                                                                                                               | (481.26)                          | (237.48)                          |
| <b>Net cash generated from financing activities</b>                                                                                              | <b>357.75</b>                     | <b>1,461.44</b>                   |
| <b>Net increase / (decrease) in cash and cash equivalents (i + ii + iii)</b>                                                                     | <b>(15.09)</b>                    | <b>34.83</b>                      |
| <b>Cash and cash equivalents at the beginning of the period</b>                                                                                  | <b>185.16</b>                     | <b>94.83</b>                      |
| <b>Cash and cash equivalents at the end of the period</b>                                                                                        | <b>170.07</b>                     | <b>129.66</b>                     |
| <b>(a) Components of cash and cash equivalent</b>                                                                                                |                                   |                                   |
| Balances with banks in current accounts                                                                                                          | 141.05                            | 85.33                             |
| Fixed deposits with maturity less than 3 months                                                                                                  | -                                 | 12.30                             |
| Cheques on hand                                                                                                                                  | 6.67                              | 3.04                              |
| Cash on hand                                                                                                                                     | 22.35                             | 28.99                             |
| <b>Cash and cash equivalents at the end of the period</b>                                                                                        | <b>170.07</b>                     | <b>129.66</b>                     |
| <b>(b) The above Statement of Cash Flow has been prepared under the "Indirect Method" as set out in the Ind-AS 7 'Statements of Cash Flows'.</b> |                                   |                                   |

See accompanying notes to the unaudited consolidated financial results.



**D. Notes to the unaudited consolidated financial results :-**

- 1 The unaudited consolidated financial results of Senco Gold Limited (the 'Holding Company') and its wholly owned subsidiaries, Senco Gold Artisanship Private Limited and Senco Global Jewellery Trading LLC, (the Holding Company and its subsidiaries together referred to as 'the Group') for the quarter and six months ended 30 September 2024 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 13 November 2024 and a limited review of the same has been carried out by the Statutory Auditors of the Company.
- 2 These results have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under section 133 of the Companies Act 2013 and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).
- 3 The chief operating decision maker (CODM) has identified 'jewellery business' as a single business operating segment per management approach enumerated in Ind AS 108, 'Operating Segments'. Accordingly, no other disclosures are required to be furnished per the aforementioned standard.
- 4 The Holding Company has incorporated Sennes Fashion Limited as a wholly owned subsidiary of the Holding Company, however, as at 30 September 2024, no capital infusion has been done in this entity.
- 5 Figures for the previous period/ year have been regrouped/ reclassified wherever necessary to conform to current period's classification, however, the impact of such reclassification/ regrouping is not material to these financial results.

Place: Kolkata  
Dated : 13 November 2024



By Order of the Board of Directors  
For Senco Gold Limited

  
Suvankar Sen  
Managing Director and Chief Executive Officer  
DIN: 01178803







# Independent Auditor's Report

To  
The Members of  
**Senco Gold Limited**

## Report on the Audit of the Consolidated Financial Statements

### Opinion

1. We have audited the accompanying consolidated financial statements of Senco Gold limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as listed in Annexure A, which comprise the Consolidated Balance Sheet as at 31 March 2024, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors on separate financial statements and on the other financial information of the subsidiary, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at 31 March 2024, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

5. We have determined the matter described below to be the key audit matters to be communicated in our report.

#### Key audit matter

##### Existence and valuation of Inventories

The Group's carrying value of the Inventory is Rs. 24,570.19 million as at 31 March 2024 as disclosed in note 15 of the accompanying consolidated financial statements. Refer note 4.10 for the corresponding accounting policy adopted by the Group with respect to the valuation of inventories.

The Holding Company's inventories primarily comprises of jewellery of gold, diamonds, silver etc. The Holding Company values inventories at lower of cost and net realisable value as per Ind AS 2, Inventory.

Inventory is held at various locations across the country and with third-party job workers. With respect to existence of inventory as at year end, there is an inherent risk of loss from theft or possible malafide intent, due to the high intrinsic value and portable nature of individual inventory items.

### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 15 of the Other Matter section below, is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matter

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### How our audit addressed the key audit matter

Our audit work in relation to the existence and valuation of inventory included, but was not limited to, performing the following procedures:

- ◆ Obtained an understanding of the Holding Company's management's process for inventory management and inventory physical verification, recognition and measurement of purchase cost of gold, diamonds and cost of manufactured jewellery items.
- ◆ Evaluated the design and tested the operating effectiveness of key controls implemented by the Holding Company with respect to such process including controls around safeguarding the high value inventory items.
- ◆ Obtained the records of physical verification and inventory reconciliation performed by the Holding Company's management as at the year end.

| Key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | How our audit addressed the key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>The physical verification of Inventory is performed by the Holding Company's management on a regular basis with the help of their appointed professional gemologists.</p> <p>With respect to valuation of the inventory, the Holding Company categorises the diamonds purchased based on its physical characteristics which are certified by professional gemologists.</p> <p>Considering the complexities involved, portable nature of diamonds, high inherent risk and high level of estimation uncertainty involved in valuation of the inventory, the existence and valuation of inventory has been determined as a key audit matter for the current year audit.</p> | <p>For a sample of locations at which inventory was held as at 31 March 2024, we performed the following procedures:</p> <ol style="list-style-type: none"> <li>Attended physical verification of stocks conducted by the Holding Company at / closer to the year end at selected locations.</li> <li>Tested and agreed the inventory as per physical verification with the book records, including roll back procedures wherever required.</li> <li>Verified the purity (caratage) of the jewellery and performed testing of the calibration certificate of the karat meter used for such verification.</li> <li>On sample basis, performed independent test counts to corroborate management counts and valuation based on management categorization with the help of a certified gemologist.</li> </ol> <ul style="list-style-type: none"> <li>◆ Performed surprise inventory counts at select locations on sample basis.</li> <li>◆ For samples selected using statistical sampling, we have obtained independent confirmations of inventories held by third parties/job workers.</li> <li>◆ Assessed the appropriateness of accounting policy and inventory valuation methodology adopted by the Holding Company's management.</li> <li>◆ Evaluated the professional competence and objectivity of the gemologist used by the Holding Company's management.</li> <li>◆ On a sample basis, tested invoices and other underlying records to validate the costs and characteristics basis which the diamond jewellery inventory is categorized for inventory valuation, and for such samples selected, recomputed diamond valuation basis annual weighted average method.</li> <li>◆ On a sample basis, tested samples of inventory sold before year-end and subsequent to year-end to corroborate management's assessment of net realisable value of closing inventory balance.</li> <li>◆ On a sample basis, verified submissions relating to quantity of inventory made by the Company to banks and obtained the reconciliation of the same with the books of accounts.</li> <li>◆ Evaluated the appropriateness and adequacy of disclosures made in the financial statements in accordance with applicable accounting standards.</li> </ul> |

### Information other than the Consolidated Financial Statements and Auditor's Report thereon

- The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

## Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

7. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The Holding Company's Board of Directors are also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act the respective Board of Directors of the companies included in the Group, covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.
8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
9. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material

misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

11. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - ◆ Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
  - ◆ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
  - ◆ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
  - ◆ Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
  - ◆ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
  - ◆ Obtain sufficient appropriate audit evidence regarding the financial information/ financial statements of the entities or business activities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in

the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matter

15. We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of Rs. 237.78 million as at 31 March 2024, total revenues of Rs. 306.74 million and net cash inflows amounting to Rs. 33.37 million for

- A) Following are the qualifications reported by us in the Order reports of the companies included in the consolidated financial statements for the year ended 31 March 2024 for which such Order reports have been issued till date:

| S No | Name                                  | CIN                   | Holding Company / subsidiary | Clause number of the CARO report which is qualified or adverse |
|------|---------------------------------------|-----------------------|------------------------------|----------------------------------------------------------------|
| 1    | Senco Gold Limited                    | U36911WB1994PLC064637 | Holding Company              | 3 (i)(c)                                                       |
| 2    | Senco Gold Artisanhip Private Limited | U36900WB2020PTC240498 | Subsidiary Company           | 3 (i)(c)                                                       |
| 3    | Senco Gold Limited                    | U36911WB1994PLC064637 | Holding Company              | 3 (vii)(a)                                                     |
| 4    | Senco Gold Artisanhip Private Limited | U36900WB2020PTC240498 | Subsidiary Company           | 3 (vii)(a)                                                     |

18. As required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated

the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose report has been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiary, are based solely on the reports of the other auditors.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the work done by and the reports of the other auditors.

### Report on Other Legal and Regulatory Requirements

16. As required by section 197(16) of the Act based on our audit, we report that the Holding Company, whose financial statements have been audited under the Act has paid remuneration to their directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that one subsidiary incorporated in India whose financial statements has been audited under the Act has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable in respect of such subsidiary.
17. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued till date by us, of companies included in the consolidated financial statements for the year ended 31 March 2024 and covered under the Act we report that:

financial statements have been kept so far as it appears from our examination of those books except for the effects of the matters described in paragraph 18(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);

- c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

- d) in our opinion, the aforesaid consolidated financial statements comply with IndAS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;
- e) On the basis of the written representations received from the directors of the Holding Company and its subsidiary and taken on record by the Board of Directors of the Holding Company and its subsidiary, respectively, covered under the Act, none of the directors of the Group companies are disqualified as on 31 March 2024 from being appointed as a director in terms of section 164(2) of the Act;
- f) The modification relating to the maintenance of accounts and other matters connected therewith with respect to the consolidated financial statements are as stated in paragraph 18(b), above on reporting under section 143(3) (b) of the Act and paragraph 18(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);
- g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiary covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure B' wherein we have expressed an unmodified opinion; and
- h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, as detailed in note 45 to the consolidated financial statements;
  - ii. The Holding Company and its subsidiary did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2024;
  - iii. a. The respective managements of the Holding Company and its subsidiary, incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, as disclosed in note 54 (iv) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiary, to or in any person(s) or entity(ies),

including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiary, ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- b. The respective managements of the Holding Company and its subsidiary, incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, as disclosed in the note 54 (v) to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiary from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiary, shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c. Based on such audit procedures performed by us, as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- iv. The subsidiary company have not declared or paid any dividend during the year ended 31 March 2024.

The interim dividend declared and paid by the Holding Company during the year ended 31 March 2024 and until the date of this audit report is in compliance with section 123 of the Act.

As stated in note 39 to the accompanying consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year ended 31 March 2024 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

- v. As stated in note 53 to the consolidated financial statements and based on our examination which included test checks of the Holding Company and its subsidiary which are companies incorporated in India and audited under the Act, except for the instance mentioned below, the Holding Company, and its subsidiary in respect of financial year commencing on 1 April 2023, have used accounting software for maintaining their books of account which has a feature of recording audit trail (edit log) facility and the same have been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with, other than the consequential impact of the exception given below:

| Nature of exception noted                                                                                               | Details of exception                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|-------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Instances of accounting software maintained by a third party where we are unable to comment on the audit trail feature. | The accounting software used for maintenance of books of accounts of the Holding Company and its subsidiary is operated by a third-party software service provider. In the absence of any information on existence of audit trail (edit logs) for any direct changes made at the database level in the 'Independent Service Auditor's Assurance Report on the Description of Controls, their Design and Operating Effectiveness' ('Type 2 report' issued in accordance with ISAE 3000, Assurance Engagements Other Than Audits or Reviews of Historical Financial Information), we are unable to comment on whether audit trail feature with respect to the database of the said software was enabled and operated throughout the year of the Holding Company and its subsidiary. |

- vi. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary covered under the Act, during the year ended 31 March 2024;

For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

**Rajni Mundra**  
Partner  
Membership No.: 058644  
UDIN: 24058644BKFUFK9958  
Place: Kolkata  
Date: 23 May 2024

## Annexure A to Independent Auditor's Report to the members of Senco Gold Limited on the Audit of the Consolidated Financial Statements for the year ended 31 March 2024

### Annexure A

#### Name of the subsidiary included in the consolidated financial statements:

| Name of the entity                     | Relationship |
|----------------------------------------|--------------|
| Senco Gold Artisanship Private Limited | Subsidiary   |
| Senco Global Jewellery Trading LLC     | Subsidiary   |

## Annexure B to the Independent Auditor's Report of even date to the members of Senco Gold Limited on the Consolidated Financial Statements for the year ended 31 March 2024

### Independent Auditor's Report on the internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of Senco Gold Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as at and for the year ended 31 March 2024, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company, which are companies covered under the Act, as at that date.

### Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its subsidiary company, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the respective entities considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection

of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company, as aforesaid.

### Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

8. In our opinion, the Holding Company and its subsidiary company, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2024, based on the internal financial control with reference to financial statements criteria established by the respective entities considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Rajni Mundra**

Partner

Membership No.: 058644

UDIN: 24058644BKFUIFK9958

Place: Kolkata

Date: 23 May 2024

## Consolidated Balance Sheet as at 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

| Particulars                                                                                | Note | As at<br>31 March, 2024 | As at<br>31 March, 2023 |
|--------------------------------------------------------------------------------------------|------|-------------------------|-------------------------|
| <b>ASSETS</b>                                                                              |      |                         |                         |
| <b>(1) Non-current assets</b>                                                              | 6    |                         |                         |
| (a) Property, plant and equipment                                                          | 7    | 1,158.24                | 847.02                  |
| (b) Capital work-in-progress                                                               | 8    | 14.94                   | 130.64                  |
| (c) Right-of-use assets                                                                    | 9    | 2,434.08                | 1,926.70                |
| (d) Intangible assets                                                                      |      | 27.54                   | 22.95                   |
| (e) Financial assets                                                                       | 10   |                         |                         |
| (i) Investments                                                                            | 11   | 1.45                    | 1.27                    |
| (ii) Other financial assets                                                                | 12   | 303.90                  | 559.42                  |
| (f) Deferred tax assets (net)                                                              | 13   | 228.42                  | 179.40                  |
| (g) Income-tax assets (net)                                                                | 14   | 165.73                  | 184.87                  |
| (h) Other non-current assets                                                               |      | 58.55                   | 190.90                  |
| <b>Total non-current assets</b>                                                            |      | <b>4,392.85</b>         | <b>4,043.17</b>         |
| <b>(2) Current assets</b>                                                                  | 15   |                         |                         |
| (a) Inventories                                                                            |      | 24,570.19               | 18,854.57               |
| (b) Financial assets                                                                       | 16   |                         |                         |
| (i) Trade receivables                                                                      | 17   | 528.68                  | 454.22                  |
| (ii) Cash and cash equivalents                                                             | 18   | 185.16                  | 94.83                   |
| (iii) Bank balances other than cash and cash equivalents                                   | 11   | 5,328.46                | 4,280.90                |
| (iv) Other financial assets                                                                | 14   | 1,545.83                | 712.60                  |
| (c) Other current assets                                                                   |      | 675.41                  | 612.90                  |
| <b>Total current assets</b>                                                                |      | <b>32,833.73</b>        | <b>25,010.02</b>        |
| <b>TOTAL ASSETS</b>                                                                        |      | <b>37,226.58</b>        | <b>29,053.19</b>        |
| <b>EQUITY AND LIABILITIES</b>                                                              |      |                         |                         |
| <b>Equity</b>                                                                              | 19   |                         |                         |
| (a) Equity share capital                                                                   | 19   | 777.04                  | 558.50                  |
| (b) Instruments entirely equity in nature                                                  | 20   | -                       | 132.96                  |
| (c) Other equity                                                                           |      | 12,878.38               | 8,763.74                |
| <b>Total equity</b>                                                                        |      | <b>13,655.42</b>        | <b>9,455.20</b>         |
| <b>Liabilities</b>                                                                         |      |                         |                         |
| <b>(1) Non-current liabilities</b>                                                         |      |                         |                         |
| (a) Financial liabilities                                                                  | 21   |                         |                         |
| (i) Borrowings                                                                             | 22   | 10.54                   | 14.26                   |
| (ii) Lease liabilities                                                                     | 23   | 2,354.62                | 1,884.02                |
| (iii) Other financial liabilities                                                          | 24   | 43.54                   | 6.19                    |
| (b) Provisions                                                                             | 25   | 28.05                   | 6.32                    |
| (c) Other non-current liabilities                                                          |      | 18.93                   | 245.19                  |
| <b>Total non-current liabilities</b>                                                       |      | <b>2,455.68</b>         | <b>2,155.98</b>         |
| <b>(2) Current liabilities</b>                                                             |      |                         |                         |
| (a) Financial liabilities                                                                  | 21   |                         |                         |
| (i) Borrowings                                                                             | 22   | 14,972.85               | 11,778.44               |
| (ii) Lease liabilities                                                                     | 26   | 273.44                  | 213.51                  |
| (iii) Trade payables                                                                       |      |                         |                         |
| (a) total outstanding dues of micro enterprises and small enterprises                      |      | 183.27                  | 197.54                  |
| (b) total outstanding dues of creditors other than micro enterprises and small enterprises |      | 1,885.54                | 1,419.38                |
|                                                                                            | 23   |                         |                         |
| (iv) Other financial liabilities                                                           | 25   | 687.16                  | 509.02                  |
| (b) Other current liabilities                                                              | 24   | 2,920.72                | 3,148.87                |
| (c) Provisions                                                                             | 27   | 37.81                   | 20.20                   |
| (d) Current tax liabilities (net)                                                          |      | 154.69                  | 155.05                  |
| <b>Total current liabilities</b>                                                           |      | <b>21,115.48</b>        | <b>17,442.01</b>        |
| <b>Total liabilities</b>                                                                   |      | <b>23,571.16</b>        | <b>19,597.99</b>        |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                                        |      | <b>37,226.58</b>        | <b>29,053.19</b>        |

The accompanying notes to the consolidated financial statements including a summary of material accounting policies and explanatory information are an integral part of these consolidated financial statements.

This is the Consolidated Balance Sheet referred to in our report of even date.

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm's Registration Number: 001076N/N500013

**Rajni Mundra**

Partner

Membership No.: 058644

Place: Kolkata

Date: 23 May 2024

For and on behalf of the Board of Directors of  
**Senco Gold Limited**

**Suvankar Sen**

Managing Director

and Chief Executive Officer

DIN: 01178803

Place: Kolkata

Date: 23 May 2024

**Surendra Gupta**

Company Secretary

and Compliance Officer

Membership No.: A20666

Place: Kolkata

Date: 23 May 2024

**Ranjana Sen**

Director

DIN: 01226337

Place: Kolkata

Date: 23 May 2024

**Sanjay Banka**

Chief Financial Officer

Place: Kolkata

Date: 23 May 2024

## Consolidated Statement of Profit and Loss for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

| Particulars                                                                | Note | Year ended<br>31 March, 2024 | Year ended<br>31 March, 2023 |
|----------------------------------------------------------------------------|------|------------------------------|------------------------------|
| <b>Income</b>                                                              |      |                              |                              |
| <b>I. Revenue from operations</b>                                          | 28   | 52,414.43                    | 40,774.04                    |
| <b>II. Other income</b>                                                    | 29   | 422.40                       | 311.36                       |
| <b>III. Total income (I + II)</b>                                          |      | <b>52,836.83</b>             | <b>41,085.40</b>             |
| <b>IV. Expenses</b>                                                        |      |                              |                              |
| Cost of materials consumed                                                 | 30   | 38,971.70                    | 29,722.19                    |
| Purchases of stock-in-trade                                                | 31   | 10,084.14                    | 8,460.78                     |
| Changes in inventories of finished goods and stock-in-trade                | 32   | (4,655.31)                   | (3,963.63)                   |
| Employee benefits expense                                                  | 33   | 1,112.29                     | 933.80                       |
| Finance costs                                                              | 34   | 1,081.03                     | 860.53                       |
| Depreciation and amortisation expenses                                     | 35   | 601.09                       | 455.53                       |
| Other expenses                                                             | 36   | 3,146.51                     | 2,454.68                     |
| <b>Total expenses (IV)</b>                                                 |      | <b>50,341.45</b>             | <b>38,923.88</b>             |
| <b>V. Profit before tax for the year (III - IV)</b>                        |      | <b>2,495.38</b>              | <b>2,161.52</b>              |
| <b>VI. Tax expenses</b>                                                    | 37   |                              |                              |
| Current tax:                                                               |      |                              |                              |
| - Current year                                                             |      | 728.02                       | 634.74                       |
| - Pertaining to earlier year(s)                                            |      | -                            | (21.38)                      |
| Deferred tax credit                                                        |      | (42.68)                      | (36.63)                      |
| <b>Total tax expenses (VI)</b>                                             |      | <b>685.34</b>                | <b>576.73</b>                |
| <b>VII. Profit after tax for the year (V - VI)</b>                         |      | <b>1,810.04</b>              | <b>1,584.79</b>              |
| <b>VIII. Other comprehensive income (OCI)</b>                              |      |                              |                              |
| <b>Items that will not be reclassified to profit or loss:</b>              |      |                              |                              |
| (a) Remeasurement of defined benefit plans                                 |      | (25.20)                      | (6.96)                       |
| - Income-tax relating to above item                                        |      | 6.34                         | 1.75                         |
| (b) Gain on fair valuation of equity shares                                |      | 0.18                         | 1.01                         |
| - Income-tax relating to above item                                        |      | (0.05)                       | (0.25)                       |
| <b>Items that will be reclassified to profit or loss:</b>                  |      |                              |                              |
| (a) Foreign currency translation difference                                |      | (1.86)                       | -                            |
| - Income-tax relating to above item                                        |      | -                            | -                            |
| <b>Other comprehensive income for the year (VIII)</b>                      |      | <b>(20.59)</b>               | <b>(4.45)</b>                |
| <b>IX. Total comprehensive income for the year (VII + VIII)</b>            |      | <b>1,789.45</b>              | <b>1,580.34</b>              |
| <b>X. Profit for the year attributed to:</b>                               |      |                              |                              |
| - Owners of the Holding Company                                            |      | 1,810.04                     | 1,584.79                     |
| - Non controlling interest                                                 |      | -                            | -                            |
|                                                                            |      | <b>1,810.04</b>              | <b>1,584.79</b>              |
| <b>Other comprehensive income for the year attributable to:</b>            |      |                              |                              |
| - Owners of the Holding Company                                            |      | (20.59)                      | (4.45)                       |
| - Non controlling interest                                                 |      | -                            | -                            |
|                                                                            |      | <b>(20.59)</b>               | <b>(4.45)</b>                |
| <b>Total comprehensive income for the year attributable to:</b>            |      |                              |                              |
| - Owners of the Holding Company                                            |      | 1,789.45                     | 1,580.34                     |
| - Non controlling interest                                                 |      | -                            | -                            |
|                                                                            |      | <b>1,789.45</b>              | <b>1,580.34</b>              |
| <b>XI. Earnings per equity share (Nominal value per share Rs. 10 each)</b> |      |                              |                              |
| (a) Basic (Rs.)                                                            | 38   | 24.06                        | 22.93                        |
| (b) Diluted (Rs.)                                                          | 38   | 23.98                        | 22.87                        |

The accompanying notes to the consolidated financial statements including a summary of material accounting policies and explanatory information are an integral part of these consolidated financial statements.

This is the Consolidated Statement of Profit and Loss referred to in our report of even date.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration Number: 001076N/N500013

**Rajni Mundra**

Partner

Membership No.: 058644

Place: Kolkata

Date: 23 May 2024

For and on behalf of the Board of Directors of

**Senco Gold Limited**

**Suvankar Sen**

Managing Director

and Chief Executive Officer

DIN: 01178803

Place: Kolkata

Date: 23 May 2024

**Surendra Gupta**

Company Secretary

and Compliance Officer

Membership No.: A20666

Place: Kolkata

Date: 23 May 2024

**Ranjana Sen**

Director

DIN: 01226337

Place: Kolkata

Date: 23 May 2024

**Sanjay Banka**

Chief Financial Officer

Place: Kolkata

Date: 23 May 2024

## Consolidated Statement of Cash Flow for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

| Particulars                                                                                             | Year ended<br>31 March, 2024 | Year ended<br>31 March, 2023 |
|---------------------------------------------------------------------------------------------------------|------------------------------|------------------------------|
| <b>A Cash flows from operating activities</b>                                                           |                              |                              |
| Profit before tax                                                                                       | 2,495.38                     | 2,161.52                     |
| Adjustments for:                                                                                        |                              |                              |
| Depreciation and amortisation expenses                                                                  | 601.09                       | 455.53                       |
| Assets written off                                                                                      | -                            | 3.54                         |
| Finance costs                                                                                           | 1,081.03                     | 860.53                       |
| Share based payment expense                                                                             | 6.16                         | 3.51                         |
| Unrealised foreign exchange gain                                                                        | (5.95)                       | (2.71)                       |
| Liabilities no longer required, written back                                                            | (46.28)                      | (18.35)                      |
| Unwinding of interest on security deposits paid                                                         | (15.91)                      | (12.27)                      |
| Gain on lease modification                                                                              | (17.03)                      | (13.05)                      |
| Allowance for expected credit loss                                                                      | -                            | 2.45                         |
| Bad debts written off                                                                                   | -                            | 1.00                         |
| Security deposits written off                                                                           | -                            | 12.11                        |
| Interest income                                                                                         | (248.61)                     | (152.18)                     |
| <b>Operating profit before working capital changes</b>                                                  | <b>3,849.88</b>              | <b>3,301.63</b>              |
| <b>(Increase) / decrease in assets:</b>                                                                 |                              |                              |
| Inventories                                                                                             | (5,715.62)                   | (4,942.12)                   |
| Trade receivables                                                                                       | (68.51)                      | (60.98)                      |
| Other financial assets                                                                                  | (558.32)                     | (283.50)                     |
| Other assets                                                                                            | (68.26)                      | (316.07)                     |
| <b>Increase / (decrease) in liabilities:</b>                                                            |                              |                              |
| Trade payables                                                                                          | 451.89                       | 442.69                       |
| Other financial liabilities                                                                             | 280.03                       | 76.02                        |
| Provisions                                                                                              | 14.14                        | 5.87                         |
| Other liabilities                                                                                       | (415.90)                     | 1,586.21                     |
| <b>Cash used in operating activities</b>                                                                | <b>(2,230.67)</b>            | <b>(190.25)</b>              |
| Income-taxes paid (net of refunds)                                                                      | (707.64)                     | (591.74)                     |
| <b>Net cash used in operating activities</b>                                                            | <b>(2,938.31)</b>            | <b>(781.99)</b>              |
| <b>B Cash flows from investing activities</b>                                                           |                              |                              |
| Acquisition of property, plant and equipment (including capital work-in-progress) and intangible assets | (382.33)                     | (311.09)                     |
| Interest received                                                                                       | 200.55                       | 126.63                       |
| Deposits made during the year                                                                           | (730.62)                     | (1,905.59)                   |
| Changes in bank balances other than cash and cash equivalents                                           | (272.36)                     | 109.75                       |
| <b>Net cash used in investing activities</b>                                                            | <b>(1,184.76)</b>            | <b>(1,980.30)</b>            |
| <b>C Cash flows from financing activities</b>                                                           |                              |                              |
| Proceeds from issue of equity shares                                                                    | 2,482.27                     | 750.00                       |
| Dividends paid (net of taxes)                                                                           | (92.64)                      | (114.24)                     |
| Proceeds from non-current borrowings                                                                    | -                            | 19.60                        |
| Repayment of non-current borrowings                                                                     | (3.49)                       | (7.05)                       |
| Proceeds from current borrowings (net)                                                                  | 3,215.14                     | 3,129.52                     |
| Principal repayment of lease liabilities                                                                | (312.16)                     | (204.32)                     |
| Interest repayment of lease liabilities                                                                 | (284.77)                     | (219.01)                     |
| Finance costs paid                                                                                      | (790.95)                     | (592.82)                     |
| <b>Net cash generated from financing activities</b>                                                     | <b>4,213.40</b>              | <b>2,761.68</b>              |
| <b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>                                   | <b>90.33</b>                 | <b>(0.61)</b>                |
| <b>Cash and cash equivalents at the beginning of the year (refer note 17)</b>                           | <b>94.83</b>                 | <b>95.44</b>                 |
| <b>Cash and cash equivalents at the end of the year (refer note 17)</b>                                 | <b>185.16</b>                | <b>94.83</b>                 |
| <b>Components of cash and cash equivalent</b>                                                           |                              |                              |
| Balances with banks in current accounts                                                                 | 146.12                       | 49.42                        |
| Fixed deposits with maturity less than 3 months                                                         | -                            | 12.06                        |
| Cheques on hand                                                                                         | 6.11                         | 1.40                         |
| Cash on hand                                                                                            | 32.93                        | 31.95                        |
| <b>Cash and cash equivalents at the end of the year</b>                                                 | <b>185.16</b>                | <b>94.83</b>                 |

## Consolidated Statement of Cash Flow for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

- (a) The above Statement of Cash Flow has been prepared under the “Indirect Method” as set out in the Ind-AS 7 ‘Statements of Cash Flows’.
- (b) Reconciliation of liabilities from financing activities:

| Particulars                                        | Lease liabilities | Non-current borrowings (including current maturities) | Current borrowings (including accrued interest) | Dividend     |
|----------------------------------------------------|-------------------|-------------------------------------------------------|-------------------------------------------------|--------------|
| <b>Opening balance as on 01 April 2022</b>         | <b>1,629.64</b>   | <b>5.20</b>                                           | <b>8,643.35</b>                                 | <b>5.13</b>  |
| Add: Non-cash changes due to:                      |                   |                                                       |                                                 |              |
| - Recognition of lease liabilities                 | 672.21            | -                                                     | -                                               | -            |
| - Interest expense                                 | 219.01            | 0.65                                                  | 628.04                                          | -            |
| - Dividend                                         | -                 | -                                                     | -                                               | 124.49       |
| Add: Cash inflows during the year:                 |                   |                                                       |                                                 |              |
| - Proceeds from current borrowings (net)           | -                 | -                                                     | 3,135.09                                        | -            |
| Less: Cash outflows during the year:               |                   |                                                       |                                                 |              |
| - Repayment of non-current borrowings              | -                 | -                                                     | -                                               | -            |
| - Repayment of current borrowings (net)            | -                 | 12.55                                                 | -                                               | -            |
| - Repayment of lease liabilities                   | (204.32)          | -                                                     | -                                               | -            |
| - Interest paid                                    | (219.01)          | (0.65)                                                | (628.04)                                        | -            |
| - Dividend paid (including tax deducted at source) | -                 | -                                                     | -                                               | (114.24)     |
| <b>Opening balance as on 01 April 2023</b>         | <b>2,097.53</b>   | <b>17.75</b>                                          | <b>11,778.44</b>                                | <b>15.38</b> |
| Add: Non-cash changes due to:                      |                   |                                                       |                                                 |              |
| - Recognition of lease liabilities                 | 825.66            | -                                                     | -                                               | -            |
| - Interest expense                                 | 284.77            | 1.04                                                  | 769.18                                          | -            |
| - Dividend                                         | -                 | -                                                     | -                                               | 77.38        |
| Add: Cash inflows during the year:                 |                   |                                                       |                                                 |              |
| - Proceeds from current borrowings (net)           | -                 | -                                                     | 3,215.14                                        | -            |
| Less: Cash outflows during the year:               |                   |                                                       |                                                 |              |
| - Repayment of non-current borrowings              | -                 | (3.49)                                                | -                                               | -            |
| - Repayment of lease liabilities                   | (312.16)          | -                                                     | -                                               | -            |
| - Interest paid                                    | (284.77)          | (1.04)                                                | (789.91)                                        | -            |
| - Dividend paid (including tax deducted at source) | -                 | -                                                     | -                                               | (92.64)      |
| <b>Closing balance as on 31 March 2024</b>         | <b>2,611.03</b>   | <b>14.26</b>                                          | <b>14,972.85</b>                                | <b>0.12</b>  |

The accompanying notes to the consolidated financial statements including a summary of material accounting policies and explanatory information are an integral part of these consolidated financial statements.

This is the Statement of Cash Flow referred to in our report of even date.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration Number: 001076N/N500013

**Rajni Mundra**

Partner

Membership No.: 058644

Place: Kolkata

Date: 23 May 2024

For and on behalf of the Board of Directors of

**Senco Gold Limited**

**Suvankar Sen**

Managing Director

and Chief Executive Officer

DIN: 01178803

Place: Kolkata

Date: 23 May 2024

**Surendra Gupta**

Company Secretary

and Compliance Officer

Membership No.: A20666

Place: Kolkata

Date: 23 May 2024

**Ranjana Sen**

Director

DIN: 01226337

Place: Kolkata

Date: 23 May 2024

**Sanjay Banka**

Chief Financial Officer

Place: Kolkata

Date: 23 May 2024

## Consolidated Statement of Changes in Equity for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

### A. Equity share capital (\*)

| Particulars                 | Balance at the beginning of year | Changes during the year | Balance at the end of year |
|-----------------------------|----------------------------------|-------------------------|----------------------------|
| <b>As at 31 March 2024:</b> |                                  |                         |                            |
| Equity share capital        | 558.50                           | 218.54                  | 777.04                     |
| <b>As at 31 March 2023:</b> |                                  |                         |                            |
| Equity share capital        | 531.86                           | 26.64                   | 558.50                     |

### B. Instruments entirely equity in nature (\*)

| Particulars                                               | Balance at the beginning of year | Changes during the year | Balance at the end of year |
|-----------------------------------------------------------|----------------------------------|-------------------------|----------------------------|
| <b>As at 31 March 2024:</b>                               |                                  |                         |                            |
| Compulsorily convertible non-cumulative preference shares | 132.96                           | (132.96)                | -                          |
| <b>As at 31 March 2023:</b>                               |                                  |                         |                            |
| Compulsorily convertible non-cumulative preference shares | 132.96                           | -                       | 132.96                     |

### C. Other equity (\*\*)

| Particulars                                                                                                    | Reserves and surplus |                 |                                        |                                   |                   | Other comprehensive income (OCI) |                                         | Total     |
|----------------------------------------------------------------------------------------------------------------|----------------------|-----------------|----------------------------------------|-----------------------------------|-------------------|----------------------------------|-----------------------------------------|-----------|
|                                                                                                                | Securities premium   | General reserve | Special economic re-investment reserve | Share based payment reserve (***) | Retained earnings | Equity Instruments through OCI   | Foreign currency translation difference |           |
| <b>Balance as at 1 April 2022</b>                                                                              | 314.35               | 153.64          | 1.15                                   | 0.86                              | 6,124.60          | 0.25                             | -                                       | 6,594.85  |
| Profit for the year (net of taxes)                                                                             | -                    | -               | -                                      | -                                 | 1,584.79          | -                                | -                                       | 1,584.79  |
| Other comprehensive income (net of taxes):                                                                     |                      |                 |                                        |                                   |                   |                                  |                                         |           |
| - Remeasurement gain of defined benefit plans                                                                  | -                    | -               | -                                      | -                                 | (5.21)            | -                                | -                                       | (5.21)    |
| - Remeasurement of Investments in equity instruments measured at fair value through other comprehensive income | -                    | -               | -                                      | -                                 | -                 | 0.76                             | -                                       | 0.76      |
| <b>Total comprehensive income for the year</b>                                                                 | 314.35               | 153.64          | 1.15                                   | 0.86                              | 7,704.18          | 1.01                             | -                                       | 8,175.19  |
| <b>Transactions with owners in their capacity as owners:</b>                                                   |                      |                 |                                        |                                   |                   |                                  |                                         |           |
| Security premium received                                                                                      | 723.36               | -               | -                                      | 3.51                              | -                 | -                                | -                                       | 726.87    |
| Payments of dividends (refer note 39)                                                                          | -                    | -               | -                                      | -                                 | (138.32)          | -                                | -                                       | (138.32)  |
| <b>Balance as at 31 March 2023</b>                                                                             | 1,037.71             | 153.64          | 1.15                                   | 4.37                              | 7,565.86          | 1.01                             | -                                       | 8,763.74  |
| <b>Balance as at 01 April 2023</b>                                                                             | 1,037.71             | 153.64          | 1.15                                   | 4.37                              | 7,565.86          | 1.01                             | -                                       | 8,763.74  |
| Profit for the year (net of taxes)                                                                             | -                    | -               | -                                      | -                                 | 1,810.04          | -                                | -                                       | 1,810.04  |
| Other comprehensive income (net of taxes):                                                                     |                      |                 |                                        |                                   |                   |                                  |                                         |           |
| - Remeasurement gain of defined benefit plans                                                                  | -                    | -               | -                                      | -                                 | (18.86)           | -                                | -                                       | (18.86)   |
| - Remeasurement of Investments in equity instruments measured at fair value through other comprehensive income | -                    | -               | -                                      | -                                 | -                 | 0.13                             | -                                       | 0.13      |
| <b>Total comprehensive income for the year</b>                                                                 | 1,037.71             | 153.64          | 1.15                                   | 4.37                              | 9,357.04          | 1.14                             | -                                       | 10,555.05 |

## Consolidated Statement of Changes in Equity for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

| Particulars                                                                   | Reserves and surplus |                 |                                        |                                   |                   | Other comprehensive income (OCI) |                                         | Total            |
|-------------------------------------------------------------------------------|----------------------|-----------------|----------------------------------------|-----------------------------------|-------------------|----------------------------------|-----------------------------------------|------------------|
|                                                                               | Securities premium   | General reserve | Special economic re-investment reserve | Share based payment reserve (***) | Retained earnings | Equity Instruments through OCI   | Foreign currency translation difference |                  |
| <b>Transactions with owners in their capacity as owners:</b>                  |                      |                 |                                        |                                   |                   |                                  |                                         |                  |
| - Securities premium received                                                 | 2,624.72             | -               | -                                      | -                                 | -                 | -                                | -                                       | 2,624.72         |
| - Share issue expenses adjustment against premium arising on shares issued    | (228.03)             | -               | -                                      | -                                 | -                 | -                                | -                                       | (228.03)         |
| - Recognition of share based payment                                          | -                    | -               | -                                      | 6.16                              | -                 | -                                | -                                       | 6.16             |
| - Fair value loss on translation of financial statements of foreign operation | -                    | -               | -                                      | -                                 | -                 | -                                | (1.86)                                  | (1.86)           |
| - Payment of dividends (refer note 38)                                        | -                    | -               | -                                      | -                                 | (77.66)           | -                                | -                                       | (77.66)          |
| <b>Balance as at 31 March 2024</b>                                            | <b>3,434.40</b>      | <b>153.64</b>   | <b>1.15</b>                            | <b>10.53</b>                      | <b>9,279.38</b>   | <b>1.14</b>                      | <b>(1.86)</b>                           | <b>12,878.38</b> |

(\*) Refer note 19

(\*\*) Refer note 20

(\*\*\*) Refer note 41

The accompanying notes to the consolidated financial statements including a summary of material accounting policies and explanatory information are an integral part of these consolidated financial statements.

This is the Consolidated Statement of Changes in Equity referred to in our report of even date.

For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm's Registration Number: 001076N/N500013

For and on behalf of the Board of Directors of  
**Senco Gold Limited**

**Rajni Mundra**  
Partner  
Membership No.: 058644  
Place: Kolkata  
Date: 23 May 2024

**Suvankar Sen**  
Managing Director  
and Chief Executive Officer  
DIN: 01178803  
Place: Kolkata  
Date: 23 May 2024

**Ranjana Sen**  
Director  
DIN: 01226337  
Place: Kolkata  
Date: 23 May 2024

**Surendra Gupta**  
Company Secretary  
and Compliance Officer  
Membership No.: A20666  
Place: Kolkata  
Date: 23 May 2024

**Sanjay Banka**  
Chief Financial Officer  
Place: Kolkata  
Date: 23 May 2024

## Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

### 1. Corporate information

The Consolidated Financial Statements comprise financial statements of Senco Gold Limited (the 'Holding Company') for the year ended 31 March 2024. The Holding Company is a public company domiciled in India, with its registered office situated at 41A Acharya Jagdish Chandra Bose Road, Diamond Prestige, 10<sup>th</sup> floor, Kolkata, West Bengal - 700017, India. The Holding Company has been incorporated under the provisions of the erstwhile Companies Act, 1956. The Corporate identification number of the Holding Company is L36911WB1994PLC064637. The Group are engaged primarily in the business of manufacturing and trading of jewellery and articles made of gold, silver, diamond, platinum and other precious and semi precious stones.

The Consolidated Financial Statement include the financial statements of the Holding Company and its subsidiaries, as mentioned below:

| Name of the subsidiary                                                     | Country of incorporation | Percentage holding                               |
|----------------------------------------------------------------------------|--------------------------|--------------------------------------------------|
| Senco Gold Artisanhip Private Limited<br>(incorporated on 14 October 2020) | India                    | 100% with effect from the date of incorporation. |
| Senco Global Jewellery Trading LLC<br>(incorporated on 14 February 2023)   | United Arab Emirates     | 100% with effect from the date of incorporation. |

### 2. (a) Application of new and revised Indian Accounting Standards (Ind AS)

All the Ind AS issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the Consolidated Financial Statements are authorised, have been considered in preparing these Consolidated Financial Statements

### (b) Application of new accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules, 2015 and as issued from time to time. For the year ended 31 March 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

### 3. Principles of consolidation

#### Subsidiary

A subsidiary is an entity over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

The Consolidated Financial Statements have been prepared in accordance with Ind AS 110 'Consolidated Financial Statements' and on the basis of separate audited financial statements of the Holding Company and its subsidiary.

The Consolidated Financial Information of the Group are combined on a line-by-line basis by adding together book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or loss in accordance with Ind AS 110.

The subsidiary has a consistent reporting date of the balance sheet of the Holding Company.

Non-controlling interests, if any, in the results and equity of subsidiary companies is shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Consolidated Statement of Asset and Liabilities.

List of subsidiaries company considered in the Consolidated Financial Information:

| Name of the subsidiary                                                     | Nature of business                          | Name of the Holding Company | Country of incorporation | % Holding as at 31 March 2023 | % Holding as at 31 March 2024 |
|----------------------------------------------------------------------------|---------------------------------------------|-----------------------------|--------------------------|-------------------------------|-------------------------------|
| Senco Gold Artisanhip Private Limited<br>(incorporated on 14 October 2020) | Manufacturing of gold and diamond jewellery | Senco Gold Limited          | India                    | 100%                          | 100%                          |
| Senco Global Jewellery Trading LLC<br>(incorporated on 14 February 2023)   | Retail sale of gold and diamond jewellery   | Senco Gold Limited          | UAE                      | NA                            | 100%                          |

## Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

### 4. Material accounting policies

#### 4.01 Overall consideration

These Consolidated Financial Statements have been prepared on a going concern basis using the significant accounting policies and measurement bases as summarised below.

These accounting policies have been consistently used throughout all the years, presented in the Consolidated Financial Information, unless otherwise stated.

#### 4.02 Statement of compliance

These Consolidated Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ('the Act') and other relevant provisions of the Act (as amended).

The Consolidated Financial Statements were authorised for issue by the Holding Company's Board of Directors on 23 May 2024. Revision, if any, to the financial statements is permitted by the Board of Directors after obtaining necessary approvals or at the instance of regulatory authorities as per provisions of the Act.

#### 4.03 Functional and presentation currency

The Consolidated Financial Information are presented in Indian rupee (Rs.), which is the Group's functional currency. All amounts have been rounded off to the nearest millions, unless otherwise stated.

#### 4.04 Basis of measurement

The Consolidated Financial Information have been prepared on historical cost convention on accrual basis, except for the following items:

| Items                                              | Measurement basis                                                           |
|----------------------------------------------------|-----------------------------------------------------------------------------|
| Derivative assets/liabilities                      | Fair value                                                                  |
| Certain financial assets and financial liabilities | Fair value                                                                  |
| Net defined benefit (asset)/ liability             | Fair value of plan assets less present value of defined benefit obligations |

#### 4.05 Measurement of fair values

Certain accounting policies and disclosures of the Group require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. The management has overall responsibility for overseeing all significant fair value measurements and it regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then their valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair values is included in note 47.

Estimates and judgements are continuously evaluated. They are based on historical experience and other factors including expectation of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

## Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

### 4. Material accounting policies *Contd.*

#### 4.06 Operating cycle

Based on the nature of operations, the Group has ascertained its operating cycle for the purpose of current and non-current classification of assets and liabilities as 12 months. Operating cycle is the time between the purchase of raw materials for processing or purchase of stock-in-trade and their realisation in cash or cash equivalents.

#### 4.07 Property, plant and equipment and capital work-in-progress

##### Recognition and measurement

Property, plant and equipment are carried at cost of acquisition or construction less accumulated depreciation and impairment losses, if any. The cost of an item of property, plant and equipment comprises its purchase price and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price.

##### Depreciation

Depreciation in respect of all the assets is provided on written down value method over their useful lives, as estimated by the management. Useful lives so estimated are in line with the useful lives indicated by Schedule II of the Act except for lease hold building and lease hold improvements which have been depreciated over the useful lives of the assets or the period of underlying lease agreement, whichever is lower. Depreciation is charged on a pro-rata basis for assets purchased/sold during the year.

Depreciation method, useful lives and residual values are reviewed at each financial period-end and adjusted if appropriate. Based on the management evaluation the useful lives as given below best represents the period over which management expects to use these assets.

The estimated useful life of main category of property plant and equipment and intangible assets are:-

| Class of assets       | Estimated useful life (years) |
|-----------------------|-------------------------------|
| Freehold buildings    | 30 years                      |
| Plant and equipment   | 15 years                      |
| Furniture and fitting | 10 years                      |
| Office equipment      | 5 years                       |
| Vehicles              | 8 years                       |

Leasehold improvements are amortised over their useful life or lease term, whichever is lower.

##### Capital work-in-progress

Expenditure incurred during the period of construction, including all direct and indirect expenses, incidental and related to construction, is carried forward and on completion, the costs are allocated to the respective property, plant and equipment. Capital work-in-progress also includes assets pending installation and not currently available for intended use.

#### 4.08 Intangible assets

##### Recognition and measurement

Intangible assets that are acquired by the Group are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less accumulated amortisation and accumulated impairment loss, if any.

##### Subsequent expenditure

Subsequent expenditures related to an item of intangible assets are added to its book value only if it is probable that future economic benefits associated with the item will flow to the enterprise and the cost of the item can be measured reliably.

##### Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight line method, and is included in depreciation and amortisation in the Consolidated Statement of Profit and Loss.

| Class of assets   | Estimated useful life (years) |
|-------------------|-------------------------------|
| Computer software | 5 years                       |

Amortisation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

## Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

### 4. Material accounting policies *Contd.*

#### 4.09 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### Initial recognition and measurement

The Group recognises financial assets and liabilities when it becomes a party to the contractual provisions of the instrument.

Financial assets are recognised at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets that are not at fair value through profit or loss ('FVTPL') are added to the fair value on initial recognition.

Financial liabilities are classified as measured at amortised cost or FVTPL. The fair value of a financial liability at initial recognition is normally the transaction price. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in the Statement of Profit and Loss or Other Comprehensive Income. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through Other Comprehensive Income ('FVOCI').

In accordance with Ind AS 113 'Fair Value Measurement', the fair value of a financial liability with a demand feature is not less than the amount payable on demand, discounted from the first date that the amount could be required to be paid.

The Company's financial liabilities include trade payables, other payables and loans and borrowings including bank overdrafts.

##### (i) Non-derivative financial asset

###### Subsequent measurement

###### *Financial assets at amortised cost*

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

- ◆ The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
- ◆ Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding."

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

Financial assets are measured at 'Fair value through other comprehensive income' (FVOCI) if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amounts are taken through OCI, except for the recognition of impairment gains or losses and interest income and foreign exchange gains and losses, which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at 'Fair value through the statement of profit and loss' (FVPL).

###### *Investments in equity instruments of others*

These are measured at fair value through other comprehensive income ('FVOCI')

###### De-recognition of financial assets

A financial asset is de-recognised when the contractual rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset.

## Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

### 4. Material accounting policies *Contd.*

#### (ii) Non-derivative financial liabilities

##### Subsequent measurement

Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

##### De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Consolidated Statement of Profit and Loss.

#### (iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

#### (iv) Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its exposures towards fluctuation in gold prices.

##### Fair value hedge

The Group designates non-derivative financial liabilities as hedging instruments to mitigate the risk of change in fair value of hedged item due to movement in commodity prices. Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the Consolidated Statement of Profit and Loss with an adjustment to the carrying value of the hedged item. The Group has designated the borrowings pertaining to gold taken on loan from banks ('unfixed gold') as a fair value hedge to the corresponding gold inventory purchased on loan.

### 4.10 Inventories

Raw material - Lower of cost or net realisable value. Cost is determined on weighted average basis. Cost of raw material comprises of cost of purchase and other costs incurred in bringing the inventory to their present condition and location.

Finished goods - Lower of cost or net realisable value. Cost is determined on weighted average basis, includes direct material and labour expenses and appropriate proportion of manufacturing overheads.

Stock-in-trade - Lower of cost or net realisable value. Cost is determined on weighted average basis and comprises of cost of purchase and other costs incurred in bringing the inventory to their present condition and location.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

### 4.11 Employee benefits

The Group's obligations towards various employee benefits have been recognised as follows:

#### **Post employment benefits**

##### (i) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

##### (ii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Group makes specified monthly contributions for employee provident fund to Government administered provident fund scheme, which are defined contribution plans.

## Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

### 4. Material accounting policies *Contd.*

Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the Consolidated Statement of Profit and Loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

#### 4.12 Revenue recognition

##### Revenue from sale of goods and rendering of services

Revenue from contracts with customers (including franchisees) includes revenue for sale of goods and provision of services. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group determines at contract inception whether each performance obligation will be satisfied (i.e. control will be transferred) over time or at a point in time.

Revenue from contract with customers is recognised when the Group satisfies performance obligation by transferring promised goods and services to the customer. Performance obligations may be satisfied at a point of time or over a period of time. Performance obligations satisfied over a period of time are recognised as per the term of relevant contractual agreements/ arrangements. Performance obligations are said to be satisfied at a point of time when the customer obtains controls of the asset.

Revenue is recognised based on the price specified in the contract, net of the line discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A contract liability is recognised for expected discounts as per Ind AS 115, payable to customers in relation to sales made until the end of the reporting period.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due, which are otherwise recorded as contract assets.

No significant element of financing is deemed present as the sales are made with a credit term only given to franchisee customers to an extent of 4 months, which is consistent with market practice. The Group's obligation to replace/ repair jewellery under the standard terms is recognised as contract asset, refer note 14.

Upfront/one time fees/charges received from franchises at the time of entering into such agreement/ contract is recognised as and when earned.

##### Customer loyalty programme

The Group has a customer loyalty programme for its customers. The Group grants loyalty points to customers as part of a sales transaction and customer referrals which allows them to accumulate and redeem those credit points and adjust them in future. The Group allocates a portion of the consideration received to loyalty points. This allocation is based on the relative stand-alone selling prices. The amount allocated to the loyalty programme is deferred, and is recognised as revenue when loyalty points are redeemed or the likelihood of the customer redeeming the loyalty points becomes remote.

#### 4.13 Leases

##### Group as a lessee – Right of use assets and lease liabilities

A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

##### Classification of leases

The Group enters into leasing arrangements for various assets. The assessment of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to extend/purchase etc.

##### Recognition and initial measurement of right of use assets

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease (if any), and any lease payments made in advance of the lease commencement date (net of any incentives received).

## Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

### 4. Material accounting policies *Contd.*

#### Subsequent measurement of right of use assets

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

#### Lease liabilities

At lease commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments) and variable payments based on an index or rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset.

The Group has elected to account for short-term leases using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these short-term leases are recognised as an expense in the Consolidated Statement of Profit and Loss on a straight-line basis over the lease term.

Further, the Group has also elected to apply another practical expedient whereby it has assessed all the rent concessions occurring as a direct consequence of the COVID-19 pandemic, basis the following conditions prescribed under the standard:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before the 30 June 2022 and
- there is no substantive change to other terms and conditions of the lease."

If all the rent concessions meet the above conditions, then, the related rent concession has been recognised in the Consolidated Statement of Profit and Loss.

### 4.14 Borrowing cost

Borrowing cost includes interest expense as per effective interest rate (EIR). Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for its intended use or sale. All other borrowing costs are expensed in the period they occur.

### 4.15 Taxes

Tax expense comprises current and deferred tax. Current and deferred tax is recognised in the Consolidated Statement of Profit and Loss except to the extent that it relates to items recognised directly in equity or Other Comprehensive Income ('OCI').

The current income-tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period where the holding company and its subsidiaries operates respectively and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred tax is provided in full, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the Consolidated Financial Statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred tax liability is settled. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

## Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

### 4. Material accounting policies *Contd.*

#### 4.16 Cash and cash equivalents

Cash and cash equivalents include cash and cash-on-deposit with banks. The Group considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

#### 4.17 Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

#### 4.18 Earnings per equity share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

#### 4.19 Operating segment

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial Statement is available. All operating segments' operating results are reviewed regularly by the Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance. Based on such assessment, the Group currently has only one operating segment and two geographical segments viz. Domestic Market and International Market.

#### 4.20 Provisions, contingent liabilities and contingent assets

Provisions are recognized when the Group has a present (legal or constructive) obligation as a result of past events, for which it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions required to settle are reviewed regularly and are adjusted where necessary to reflect the current best estimates of the obligation. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed unless the likelihood of an outflow of resources is remote and there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

Contingent assets are disclosed only when inflow of economic benefits therefrom is probable and recognize only when realization of income is virtually certain.

#### 4.21 Accounting judgments, estimates and assumptions

##### Use of estimates and judgements

The preparation of Consolidated Financial Statement requires management to make judgments, estimates and assumptions that may impact the application of accounting policies and the reported value of assets, liabilities, income, expenses and related disclosures concerning the items involved as well as contingent assets and liabilities at the balance sheet date. The estimates and management's judgments are based on previous experience and other factors considered reasonable and prudent in the circumstances. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In order to enhance understanding of the financial statements, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the Consolidated Financial Statement is as under:

Estimates and judgements are continuously evaluated. They are based on historical experience and other factors including expectation of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

## Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

### 4. Material accounting policies *Contd.*

#### Useful lives of property, plant and equipment

The Group uses its technical expert along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

Under the terms of the related agreement, the lease period may be extended at the option of the lessee. Assets constructed on such leasehold properties are depreciated over their useful life or respective lease terms, whichever is lower.

#### Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using certain valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as volatility risk, credit risk and volatility.

#### Recognition of deferred tax assets

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Group's future taxable income (supported by reliable evidence) against which the deferred tax assets can be utilized.

#### Evaluation of indicators for impairment of assets

The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

#### Contingent liabilities

At each balance sheet date basis the management's judgment, changes in facts and legal aspects, the Group assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

#### Leases

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of leases ('Ind AS 116'). Identification of a lease requires significant judgment. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

### 5. Other significant accounting policies

#### 5.01 Current / non-current classification

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Act.

##### Assets

An asset is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle ;
- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realised within 12 months after the reporting date; or
- (d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

## Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

### 5. Other significant accounting policies *Contd.*

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

#### Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be settled in the Group's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within 12 months after the reporting date; or
- (d) the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

### 5.02 Impairment

#### (i) Impairment of financial instruments: financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its financial assets and the impairment methodology depends on whether there has been a significant increase in credit risk.

##### Trade receivables

In respect of trade receivables, the Group applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

##### Other financial assets

In respect of its other financial assets, the Group assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Group measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Group uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Group compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Group assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

#### (ii) Impairment of non-financial assets

Assessment is done at each balance sheet date as to whether there is any indication that an asset may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets and group of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount.

Recoverable amount is higher of an asset's or cash generating unit's selling price and its value in use. Value in use is the present value of estimated future cash flows expected to raise from continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each balance sheet date as to whether there is any indication that an impairment loss recognised for an assets in prior accounting periods may no longer exist or may have decreased.

## Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

### 5. Other significant accounting policies *Contd.*

#### 5.03 Employee benefits

##### Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Group's gratuity benefit scheme is a defined benefit plan. The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in Other Comprehensive Income (OCI). The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the Consolidated Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in Consolidated Statement of Profit and Loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

When the benefits of a plan are improved, the portion of the increased benefit related to past service by employees is recognised in Consolidated Statement of Profit and Loss on a straight-line basis over the average period until the benefits become vested.

##### Other long-term employees benefits

The Group's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return of their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurement gains or losses are recognised in profit or loss in the period in which they arise.

##### Compensated absences

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilised wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Group records an obligation for such compensated absences (which includes privilege leave and sick leave) in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method. Remeasurements gains and losses are recognised in the Consolidated Statement of Profit and Loss in the period in which they arise. The Group has classified all the compensated absence as current as all liability if arisen shall be payable is 12 months.

#### 5.04 Foreign currency

##### Functional and presentation currency

Items included in the Consolidated Financial Statements of the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Consolidated Financial Statement have been prepared and presented in Indian Rupees (INR), which is the Group's functional and presentation currency.

##### Transactions and balances

Foreign currency transactions are recorded in the functional currency, by applying to the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Foreign currency monetary items outstanding at the balance sheet date are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction.

## Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

### 5. Other significant accounting policies *Contd.*

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the Consolidated Statement of Profit and Loss in the year in which they arise.

#### 5.05 Recognition of dividend income and interest income

Dividend income is recognised in the Consolidated Statement of Profit and Loss on the date on which the Group's right to receive payment is established. Interest income or expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability."

In calculating interest income, the interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability.

#### 5.06 Property, plant and equipment and capital work-in-progress

##### Subsequent expenditure

Subsequent expenditures related to an item of property, plant and equipment are added to its book value only if it is probable that future economic benefits associated with the item will flow to the enterprise and the cost of the item can be measured reliably.

##### Derecognition

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the Consolidated Statement of Profit and Loss.

#### 5.07 Accounting judgments, estimates and assumptions

##### Use of estimates and judgements

##### Defined benefit obligation ('DBO')

Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

##### Share based payment

At the end of each period, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in the Consolidated Statement of Profit and Loss, with a corresponding adjustment to the equity.

#### 5.08 Equity investment

Equity investments in subsidiaries are measured at cost. The investments are reviewed at each reporting date to determine whether there is any indication of impairment considering the provisions of Ind AS 36 'Impairment of Assets'. If any such indication exists, policy for impairment of non-financial assets is followed.

#### 5.09 Share based payments - Employee Stock Option Scheme (ESOP's)

The fair value of options granted under the employee stock option plan is recognized as an employee benefits expense with a corresponding increase in the equity. The total amount to be expensed is determined by reference to the fair value of the options. The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in the Consolidated Statement of Profit and Loss, with a corresponding adjustment to the equity. Upon exercise of share options, the proceeds received are allocated to the share capital up to the par value of the shares issued with any excess being recorded as securities premium.

#### 5.10 Share issue expenses

Share issue expenses are adjusted against the Securities Premium Account as permissible under Section 52 of the Companies Act, 2013, to the extent any balance is available for utilisation in the Securities Premium Account. Share issue expenses in excess of the balance in the Securities Premium Account is expensed in the Consolidated Statement of Profit and Loss.

## Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

### 6. Property, plant and equipment

| Particulars                        | Freehold buildings | Leasehold improvements | Plant and equipment | Furniture and fittings | Office equipment | Vehicles     | Total           |
|------------------------------------|--------------------|------------------------|---------------------|------------------------|------------------|--------------|-----------------|
| <b>Gross block</b>                 |                    |                        |                     |                        |                  |              |                 |
| <b>Balance as at 01 April 2022</b> | <b>598.65</b>      | <b>162.48</b>          | <b>391.45</b>       | <b>472.13</b>          | <b>73.94</b>     | <b>26.99</b> | <b>1,725.64</b> |
| Additions for the period           | 41.88              | 52.15                  | 79.24               | 95.94                  | 56.43            | -            | 325.64          |
| Disposals during the period        | -                  | (16.70)                | -                   | -                      | -                | -            | (16.70)         |
| <b>Balance as at 31 March 2023</b> | <b>640.53</b>      | <b>197.93</b>          | <b>470.69</b>       | <b>568.07</b>          | <b>130.37</b>    | <b>26.99</b> | <b>2,034.58</b> |
| Additions for the period           | 144.36             | 67.52                  | 118.69              | 147.41                 | 62.62            | -            | 540.60          |
| Deletion during the year           | -                  | -                      | (8.58)              | (3.08)                 | (0.10)           | -            | (11.76)         |
| <b>Balance as at 31 March 2024</b> | <b>784.89</b>      | <b>265.45</b>          | <b>580.80</b>       | <b>712.40</b>          | <b>192.89</b>    | <b>26.99</b> | <b>2,563.42</b> |
| <b>Accumulated depreciation</b>    |                    |                        |                     |                        |                  |              |                 |
| <b>Balance as at 01 April 2022</b> | <b>261.56</b>      | <b>97.33</b>           | <b>242.21</b>       | <b>363.04</b>          | <b>53.13</b>     | <b>17.37</b> | <b>1,034.64</b> |
| Charge for the period              | 30.73              | 11.72                  | 45.98               | 52.16                  | 23.57            | 1.92         | 166.08          |
| Disposals during the period        | -                  | (13.16)                | -                   | -                      | -                | -            | (13.16)         |
| <b>Balance as at 31 March 2023</b> | <b>292.29</b>      | <b>95.89</b>           | <b>288.19</b>       | <b>415.20</b>          | <b>76.70</b>     | <b>19.29</b> | <b>1,187.56</b> |
| Charge for the year                | 37.37              | 23.20                  | 69.69               | 55.90                  | 38.84            | 1.46         | 226.46          |
| Deletion during the year           | -                  | -                      | (6.07)              | (2.68)                 | (0.09)           | -            | (8.84)          |
| <b>Balance as at 31 March 2024</b> | <b>329.66</b>      | <b>119.09</b>          | <b>351.81</b>       | <b>468.42</b>          | <b>115.45</b>    | <b>20.75</b> | <b>1,405.18</b> |
| <b>Net block</b>                   |                    |                        |                     |                        |                  |              |                 |
| <b>As at 31 March 2023</b>         | <b>348.24</b>      | <b>102.04</b>          | <b>182.50</b>       | <b>152.87</b>          | <b>53.67</b>     | <b>7.70</b>  | <b>847.02</b>   |
| <b>As at 31 March 2024</b>         | <b>455.23</b>      | <b>146.36</b>          | <b>228.99</b>       | <b>243.98</b>          | <b>77.44</b>     | <b>6.24</b>  | <b>1,158.24</b> |

#### Notes :

- Contractual obligations: Refer note 45 for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- Refer note 21 for property, plant and equipment pledged as security.
- Title deeds of immovable properties not held in the name of the Group:

| Particulars                   | Description of the item of property | Gross carrying value | Title deeds held in the name of  | Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter or director | Property held since which date | Reason for not being held in the name of the Company |
|-------------------------------|-------------------------------------|----------------------|----------------------------------|------------------------------------------------------------------------------------------------------------------------|--------------------------------|------------------------------------------------------|
| <b>As at 31 March 2024</b>    |                                     |                      |                                  |                                                                                                                        |                                |                                                      |
| Property, plant and equipment | Building                            | 6.94                 | Senco Gold Impex Private Limited | No                                                                                                                     | 14 March 2007                  | Refer note (a) below                                 |
|                               | Building                            | 16.57                | Senco Gold Private Limited       | No                                                                                                                     | 06 December 2006               | Refer note (b) below                                 |
| <b>As at 31 March 2023</b>    |                                     |                      |                                  |                                                                                                                        |                                |                                                      |
| Property, plant and equipment | Building                            | 6.94                 | Senco Gold Impex Private Limited | No                                                                                                                     | 14 March 2007                  | Refer note (a) below                                 |
|                               | Building                            | 16.57                | Senco Gold Private Limited       | No                                                                                                                     | 06 December 2006               | Refer note (b) below                                 |

#### Notes:

- The said properties were transferred as a result of merger of the above mentioned entities into the Holding Company in the previous years. The management of the Holding Company is in the process of getting the title deeds duly transferred in its name.
- This property is held by the Holding Company in its erstwhile name. The management of the Holding Company is in the process of getting the title deeds duly transferred in its name.

## Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

### 7. Capital work-in-progress (CWIP)

| Particulars                              | As at<br>31 March 2024 | As at<br>31 March 2023 |
|------------------------------------------|------------------------|------------------------|
| Balance as at the beginning of the year  | 130.64                 | 65.14                  |
| Addition for the year                    | 359.92                 | 204.36                 |
| Capitalised during the year              | (475.62)               | (138.86)               |
| <b>Balance as at the end of the year</b> | <b>14.94</b>           | <b>130.64</b>          |

Notes:

#### (a) CWIP ageing schedule :

| Particulars                | Amount of CWIP for a period of: |           |           |                      |        |
|----------------------------|---------------------------------|-----------|-----------|----------------------|--------|
|                            | Less than 1<br>year             | 1-2 years | 2-3 years | More than 3<br>years | Total  |
| <b>As at 31 March 2024</b> |                                 |           |           |                      |        |
| Retail stores              | 14.94                           | -         | -         | -                    | 14.94  |
| Head office                | -                               | -         | -         | -                    | -      |
| <b>As at 31 March 2023</b> |                                 |           |           |                      |        |
| Retail stores              | 97.63                           | 0.06      | 0.21      | 18.76                | 116.66 |
| Head office                | 13.98                           | -         | -         | -                    | 13.98  |

#### (b) CWIP completion schedule for capital work in progress, whose completion is overdue compared to its original plan:

| Particulars                | To be completed in: |           |           |                      |       |
|----------------------------|---------------------|-----------|-----------|----------------------|-------|
|                            | Less than 1<br>year | 1-2 years | 2-3 years | More than 3<br>years | Total |
| <b>As at 31 March 2024</b> |                     |           |           |                      |       |
| Retail stores              | -                   | -         | -         | -                    | -     |
| <b>As at 31 March 2023</b> |                     |           |           |                      |       |
| Retail stores              | 19.40               | -         | -         | -                    | 19.40 |

(c) There is no project whose completion is overdue or has exceeded its cost compared to its original plan during the current financial year.

(d) There is no project temporarily suspended during the current and previous financial year.

### 8. Right-of-use assets

| Particulars                          | Building        | Land          | Other plant and<br>equipments | Total           |
|--------------------------------------|-----------------|---------------|-------------------------------|-----------------|
| <b>Gross block</b>                   |                 |               |                               |                 |
| <b>Balance as at 31 March 2023</b>   | <b>2,585.71</b> | <b>134.63</b> | <b>47.16</b>                  | <b>2,767.50</b> |
| Additions during the year            | 974.07          | -             | -                             | 974.07          |
| Deletions during the year            | (152.93)        | -             | -                             | (152.93)        |
| <b>Balance as at 31 March 2024</b>   | <b>3,406.85</b> | <b>134.63</b> | <b>47.16</b>                  | <b>3,588.64</b> |
| <b>Accumulated depreciation</b>      |                 |               |                               |                 |
| <b>Balance as at 31 March 2023</b>   | <b>819.28</b>   | <b>15.83</b>  | <b>5.69</b>                   | <b>840.80</b>   |
| Charge for the year                  | 348.17          | 4.12          | 4.89                          | 357.18          |
| Deletions during the year            | (43.42)         | -             | -                             | (43.42)         |
| <b>Balance as at 31 March 2024</b>   | <b>1,124.03</b> | <b>19.95</b>  | <b>10.58</b>                  | <b>1,154.56</b> |
| <b>Net block as on 31 March 2023</b> | <b>1,766.43</b> | <b>118.80</b> | <b>41.47</b>                  | <b>1,926.70</b> |
| <b>Net block as on 31 March 2024</b> | <b>2,282.82</b> | <b>114.68</b> | <b>36.58</b>                  | <b>2,434.08</b> |

## Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

### 8. Right-of-use assets *Contd.*

#### Notes:

(a) The Group as a lessee has obtained certain assets such as immovable properties on various leasing arrangements for the purposes of setting up of retail stores, work-shops and guest houses. With the exception of short-term leases and leases of low value underlying assets, each lease is reflected on the balance sheet as a right-to-use asset and a lease liability. Variable lease payment which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and right-of-use assets. The Group has presented its right-of-use assets separately from other assets. Each lease generally imposes a restriction that unless there is a contractual right for the Group to sub-lease the asset to another party, the right-of-use asset can only be used by the Group. Some lease contain an option to extend the lease for a further term.

#### (b) Additional information on extension/ termination options:

Extension and termination options are included in a number of property lease arrangements of the Group. These are used to maximise operational flexibility in terms of managing the assets used in the group's operations. The majority of extension and termination options held are exercisable are based on consent of the Group.

(c) There are no leases which are yet to commence as on 31 March 2024 and 31 March 2023.

#### (d) Lease payments, not included in measurement of liability

The Group has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. The expense relating to payments not included in the measurement of the lease liability is as follows:

| Particulars             | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|-------------------------|-----------------------------|-----------------------------|
| Short-term leases       | 6.84                        | 7.45                        |
| Cancellable leases      | 48.93                       | 45.07                       |
| Variable lease payments | 11.49                       | 5.44                        |
|                         | <b>67.26</b>                | <b>57.96</b>                |

#### (e) Total undiscounted future lease payments relating to underlying leases are as follows:

| Particulars                | Within 1 year | 1-2 years     | 2-5 years       | More than 5<br>years | Total           |
|----------------------------|---------------|---------------|-----------------|----------------------|-----------------|
| <b>As at 31 March 2024</b> |               |               |                 |                      |                 |
| Lease payments             | 556.36        | 551.15        | 1,507.71        | 1,466.14             | 4,081.36        |
|                            | <b>556.36</b> | <b>551.15</b> | <b>1,507.71</b> | <b>1,466.14</b>      | <b>4,081.36</b> |
| <b>As at 31 March 2023</b> |               |               |                 |                      |                 |
| Lease payments             | 447.00        | 420.95        | 1,200.41        | 1,338.05             | 3,406.41        |
|                            | <b>447.00</b> | <b>420.95</b> | <b>1,200.41</b> | <b>1,338.05</b>      | <b>3,406.41</b> |

#### (f) Amount recognised in the Balance Sheet:

| Particulars                    | As at<br>31 March 2024 | As at<br>31 March 2023 |
|--------------------------------|------------------------|------------------------|
| <b>(i) Right-of-use assets</b> |                        |                        |
| - Buildings                    | 2,282.82               | 1,766.43               |
| - Land                         | 114.68                 | 118.80                 |
| - Other plant and equipments   | 36.58                  | 41.47                  |
|                                | <b>2,434.08</b>        | <b>1,926.70</b>        |
| <b>(ii) Lease liabilities</b>  |                        |                        |
| Non-current                    | 2,354.62               | 1,884.02               |
| Current                        | 273.44                 | 213.51                 |
|                                | <b>2,628.06</b>        | <b>2,097.53</b>        |

## Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

### 8. Right-of-use assets *Contd.*

#### (g) Amount recognised in the consolidated Statement of Profit and Loss:

| Particulars                                      | As at<br>31 March 2024 | As at<br>31 March 2023 |
|--------------------------------------------------|------------------------|------------------------|
| (i) Depreciation and amortisation expense        | 4.89                   | 282.41                 |
| (ii) Interest expense (included in finance cost) | 284.77                 | 219.01                 |
| (iii) Gain on lease modification                 | 17.03                  | 13.05                  |

#### (h) Information about extension and termination options

| Particulars               | Number of<br>leases | Range of<br>remaining<br>term<br>(in years) | Average<br>remaining<br>lease term<br>(in years) | Number of<br>leases with<br>extension<br>option | Number of<br>leases with<br>purchase<br>option | Number of<br>leases with<br>termination<br>option |
|---------------------------|---------------------|---------------------------------------------|--------------------------------------------------|-------------------------------------------------|------------------------------------------------|---------------------------------------------------|
| Building premises         | 106                 | 0.50 to 98                                  | 7.07                                             | 106                                             | -                                              | 106                                               |
| Other plant and equipment | 5                   | 3.42 to 8.01                                | 5.29                                             | 5                                               | -                                              | 5                                                 |
| Land                      | 2                   | 29                                          | 29                                               | -                                               | -                                              | -                                                 |

(i) Refer note 22 for lease liabilities and note 34 for finance costs on lease liabilities.

### 9. Intangible assets

| Particulars                     | As at<br>31 March 2024 | As at<br>31 March 2023 |
|---------------------------------|------------------------|------------------------|
| <b>Computer software</b>        |                        |                        |
| <b>Gross block</b>              |                        |                        |
| At the beginning of the year    | 68.98                  | 63.58                  |
| Additions during the year       | 22.22                  | 5.40                   |
| At the end of the year          | <b>91.20</b>           | <b>68.98</b>           |
| <b>Accumulated amortisation</b> |                        |                        |
| At the beginning of the year    | 46.03                  | 38.99                  |
| Amortisation for the year       | 17.63                  | 7.04                   |
| At the end of the year          | 63.66                  | 46.03                  |
| <b>Net block</b>                | <b>27.54</b>           | <b>22.95</b>           |

### 10. Investments

Investment in equity instrument - unquoted

| Particulars                                                                                                        | As at<br>31 March 2024 | As at<br>31 March 2023 |
|--------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| <b>(a) Others</b>                                                                                                  |                        |                        |
| (Measured at fair value through other comprehensive income)                                                        |                        |                        |
| 2,700 shares in Diamond Prestige Occupants Association, fully paid-up (31 March 2023: 2,700 shares) of Rs. 10 each | 1.45                   | 1.27                   |
|                                                                                                                    | <b>1.45</b>            | <b>1.27</b>            |
| <b>Note :</b>                                                                                                      |                        |                        |
| Aggregate amount of quoted investments and market value thereof:                                                   | -                      | -                      |
| Aggregate amount of unquoted investments:                                                                          | 1.45                   | 1.27                   |
| Aggregate amount of impairment in value of investments:                                                            | -                      | -                      |

## Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

### 11. Other financial assets (Unsecured, considered good)

| Particulars                                                                       | As at<br>31 March 2024 | As at<br>31 March 2023 |
|-----------------------------------------------------------------------------------|------------------------|------------------------|
| <b>Non - current</b>                                                              |                        |                        |
| Security deposits                                                                 | 117.20                 | 328.14                 |
| Bank deposits with maturity of more than 12 months [refer note (a) and (b) below] | 186.70                 | 231.28                 |
|                                                                                   | <b>303.90</b>          | <b>559.42</b>          |
| <b>Current</b>                                                                    |                        |                        |
| Security deposits [refer note (c) below]                                          | 961.20                 | 52.69                  |
| Interest accrued but not due on fixed deposits                                    | 108.95                 | 60.89                  |
| Margin money with brokers [refer note (c) below]                                  | 464.25                 | 593.23                 |
| Other receivables                                                                 | 11.43                  | 5.79                   |
|                                                                                   | <b>1,545.83</b>        | <b>712.60</b>          |

#### Notes:

- Bank deposits with maturity of more than 12 months includes deposits maintained for the jewellery purchase schemes for compliance with the Companies (Acceptance of Deposit) Rules, 2014 as per the Companies Act 2013, as amended, amounting to Rs. 59.83 millions (31 March 2023: Rs. 149.52 millions).
- Bank deposits with maturity of more than 12 months, inter alia, includes amounts held as margin monies with the banks as fixed deposits balances for security against Gold metal loan amounting to Rs. 98.52 millions (31 March 2023 : Rs. 76.00 millions)
- Inter alia, includes deposits maintained by the Holding Company with brokers comprising time deposits with brokers for hedging contracts which can be withdrawn by the Holding Company at any point without prior notice or penalty on the principal balance.

### 12. Deferred tax assets (net)

| Particulars                                                    | As at<br>31 March 2024 | As at<br>31 March 2023 |
|----------------------------------------------------------------|------------------------|------------------------|
| <b>Deferred tax assets arising on account of:</b>              |                        |                        |
| Property, plant and equipment and other intangible assets      | 63.44                  | 57.67                  |
| Provision for expense allowed for tax purpose on payment basis | 73.42                  | 56.76                  |
| Provision for employee benefits expense                        | 14.74                  | 11.15                  |
| Impact of right-of-use asset and lease liabilities             | 107.05                 | 79.83                  |
| Other financial liabilities                                    | 0.08                   | 0.12                   |
| <b>Total deferred tax assets</b>                               | <b>258.73</b>          | <b>205.53</b>          |
| <b>Deferred tax liabilities arising on account of:</b>         |                        |                        |
| Investments at fair value through OCI                          | (0.36)                 | (0.32)                 |
| Loans                                                          | (29.76)                | (25.62)                |
| Other adjustments                                              | (0.19)                 | (0.19)                 |
| <b>Total deferred tax liabilities</b>                          | <b>(30.31)</b>         | <b>(26.13)</b>         |

## Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

### 12. Deferred tax assets (net) Contd.

| Particulars               | As at<br>31 March 2024 | As at<br>31 March 2023 |
|---------------------------|------------------------|------------------------|
| Deferred tax assets (net) | 228.42                 | 179.40                 |

#### (a) Movement in deferred tax assets/(liabilities)

| Particulars                                                    | Balance as at<br>the beginning<br>of the year | Recognised in<br>the Statement<br>of Profit and<br>Loss | Recognised<br>in Other<br>Comprehensive<br>Income | Balance as at<br>the end of the<br>year |
|----------------------------------------------------------------|-----------------------------------------------|---------------------------------------------------------|---------------------------------------------------|-----------------------------------------|
| <b>Year ended 31 March 2024:</b>                               |                                               |                                                         |                                                   |                                         |
| <b>Deferred tax assets arising on account of:</b>              |                                               |                                                         |                                                   |                                         |
| Property, plant and equipment and other intangible assets      | 57.67                                         | 5.77                                                    | -                                                 | 63.44                                   |
| Provision for expense allowed for tax purpose on payment basis | 56.76                                         | 16.66                                                   | -                                                 | 73.42                                   |
| Provision for employee benefits expense                        | 11.15                                         | (2.79)                                                  | 6.38                                              | 14.74                                   |
| Impact of right-of-use asset and lease liabilities             | 79.83                                         | 27.22                                                   | -                                                 | 107.05                                  |
| Other financial liabilities                                    | 0.12                                          | (0.04)                                                  | -                                                 | 0.08                                    |
| Other adjustments                                              | -                                             | -                                                       | -                                                 | -                                       |
| <b>Deferred tax liabilities arising on account of:</b>         |                                               |                                                         |                                                   |                                         |
| Investments at fair value through OCI                          | (0.32)                                        | -                                                       | (0.04)                                            | (0.36)                                  |
| Loans                                                          | (25.62)                                       | (4.14)                                                  | -                                                 | (29.76)                                 |
| Other adjustments                                              | (0.19)                                        | -                                                       | -                                                 | (0.19)                                  |
|                                                                | <b>179.40</b>                                 | <b>42.68</b>                                            | <b>6.34</b>                                       | <b>228.42</b>                           |
| <b>Year ended 31 March 2023:</b>                               |                                               |                                                         |                                                   |                                         |
| <b>Deferred tax assets arising on account of:</b>              |                                               |                                                         |                                                   |                                         |
| Property, plant and equipment and other intangible assets      | 54.16                                         | 3.51                                                    | -                                                 | 57.67                                   |
| Provision for expense allowed for tax purpose on payment basis | 37.97                                         | 18.79                                                   | -                                                 | 56.76                                   |
| Provision for employee benefits expense                        | 9.57                                          | (0.17)                                                  | 1.75                                              | 11.15                                   |
| Impact of right-of-use asset and lease liabilities             | 60.76                                         | 19.07                                                   | -                                                 | 79.83                                   |
| Other financial liabilities                                    | (0.02)                                        | 0.14                                                    | -                                                 | 0.12                                    |
| Other adjustments                                              | -                                             | -                                                       | -                                                 | -                                       |
| <b>Deferred tax liabilities arising on account of:</b>         |                                               |                                                         |                                                   |                                         |
| Investments at fair value through OCI                          | (0.07)                                        | -                                                       | (0.25)                                            | (0.32)                                  |
| Loans                                                          | (20.91)                                       | (4.71)                                                  | -                                                 | (25.62)                                 |
| Other adjustments                                              | (0.19)                                        | -                                                       | -                                                 | (0.19)                                  |
|                                                                | <b>141.27</b>                                 | <b>36.63</b>                                            | <b>1.50</b>                                       | <b>179.40</b>                           |

### 13. Income-tax assets

| Particulars                                                                                                 | As at<br>31 March 2024 | As at<br>31 March 2023 |
|-------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| Prepaid taxes (net of provision for tax of Rs. 2,255.60 millions)<br>(31 March 2023: Rs. 2,276.09 millions) | 165.73                 | 184.87                 |
|                                                                                                             | <b>165.73</b>          | <b>184.87</b>          |

## Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

### 14. Other non-current and current assets

| Particulars                                                  | As at<br>31 March 2024 | As at<br>31 March 2023 |
|--------------------------------------------------------------|------------------------|------------------------|
| <b>Non-current</b>                                           |                        |                        |
| Capital advances                                             | 39.36                  | 177.46                 |
| Advances other than capital advances:                        |                        |                        |
| - Prepaid expenses                                           | 19.19                  | 13.44                  |
|                                                              | <b>58.55</b>           | <b>190.90</b>          |
| <b>Current</b>                                               |                        |                        |
| Balance with statutory authorities                           | 447.28                 | 315.28                 |
| Prepaid expenses                                             | 87.36                  | 82.73                  |
| Advance to suppliers                                         | 64.51                  | 103.97                 |
| Contract assets [refer note (a) below]                       | 76.26                  | 47.77                  |
| Initial Public Offer ('IPO') expenses [refer note (b) below] | -                      | 63.15                  |
|                                                              | <b>675.41</b>          | <b>612.90</b>          |

**Note:**

- (a) Contract assets represents the amount of goods expected to be received by the Group on account of sales return.
- (b) The Holding Company has during the year successfully completed its initial public offer (IPO) of equity shares, and has incurred certain expenses amounting to Rs. 228.03 millions (31 March 2023: Rs. 63.15 millions) in connection with the said public offer. These IPO related expenses has been adjusted against the securities premium to the extent permissible under Section 52 of the Companies Act, 2013.

### 15. Inventories (Valued at lower of cost and net realizable value)

| Particulars    | As at<br>31 March 2024 | As at<br>31 March 2023 |
|----------------|------------------------|------------------------|
| Raw materials  | 3,499.82               | 2,439.51               |
| Stock-in-trade | 5,710.70               | 4,423.07               |
| Finished goods | 15,359.67              | 11,991.99              |
|                | <b>24,570.19</b>       | <b>18,854.57</b>       |

**Note:**

- (a) Refer note 21 for information on inventories pledged as security by the Group.

### 16. Trade Receivables

| Particulars                               | As at<br>31 March 2024 | As at<br>31 March 2023 |
|-------------------------------------------|------------------------|------------------------|
| Considered good - Unsecured               | 528.68                 | 454.22                 |
| Credit impaired                           | 25.57                  | 25.57                  |
|                                           | <b>554.25</b>          | <b>479.79</b>          |
| Less: Allowances for expected credit loss | (25.57)                | (25.57)                |
|                                           | <b>528.68</b>          | <b>454.22</b>          |

**Notes:**

- (a) The movement in allowances for credit losses is as follows:

| Particulars                         | As at<br>31 March 2024 | As at<br>31 March 2023 |
|-------------------------------------|------------------------|------------------------|
| Balance as at beginning of the year | 25.57                  | 23.12                  |
| Additions during the year           | -                      | 2.45                   |
| Balance at the end of the year      | <b>25.57</b>           | <b>25.57</b>           |

## Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

### 16. Trade Receivables *Contd.*

(b) Trade receivables ageing schedule is as follows:

| Particulars                       | Outstanding for following periods from due date of payment |                   |           |           |                   | Total  |
|-----------------------------------|------------------------------------------------------------|-------------------|-----------|-----------|-------------------|--------|
|                                   | Less than 6 months                                         | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years |        |
| <b>As at 31 March 2024</b>        |                                                            |                   |           |           |                   |        |
| (i) Undisputed trade receivables: |                                                            |                   |           |           |                   |        |
| - considered good                 | 528.64                                                     | 0.04              | -         | -         | -                 | 528.64 |
| - considered doubtful             | -                                                          | -                 | -         | -         | 2.45              | 2.45   |
| (ii) Disputed trade receivables:  |                                                            |                   |           |           |                   | -      |
| - considered good                 | -                                                          | -                 | -         | -         | -                 | -      |
| - considered doubtful             | -                                                          | -                 | -         | -         | 23.12             | 23.12  |
| <b>As at 31 March 2023</b>        |                                                            |                   |           |           |                   |        |
| (i) Undisputed trade receivables: |                                                            |                   |           |           |                   |        |
| - considered good                 | 421.93                                                     | 32.29             | -         | -         | -                 | 454.22 |
| - considered doubtful             | -                                                          | -                 | -         | 0.03      | 2.42              | 2.45   |
| (ii) Disputed trade receivables:  |                                                            |                   |           |           |                   | -      |
| - considered good                 | -                                                          | -                 | -         | -         | -                 | -      |
| - considered doubtful             | -                                                          | -                 | -         | -         | 23.12             | 23.12  |

(c) Refer note 47 for information about credit risk and market risk of trade receivables.

(d) There are no outstanding debts due from directors or other officers of the Group.

(e) Refer note 21 for information on trade receivables pledged as security by the Group.

### 17. Cash and cash equivalents

| Particulars                                     | As at<br>31 March 2024 | As at<br>31 March 2023 |
|-------------------------------------------------|------------------------|------------------------|
| Balances with banks in current accounts (*)     | 146.12                 | 49.42                  |
| Fixed deposits with maturity less than 3 months | -                      | 12.06                  |
| Cheques on hand                                 | 6.11                   | 1.40                   |
| Cash on hand                                    | 32.93                  | 31.95                  |
|                                                 | <b>185.16</b>          | <b>94.83</b>           |

(\*) The balance in current account, inter alia, includes funds in transit primarily for credit card and online receipts, yet to be credited to the Group amounting to Rs. 42.25 millions. (31 March 2023 : Rs. 20.44 millions).

### 18. Bank balances other than cash and cash equivalents

| Particulars                                                                                               | As at<br>31 March 2024 | As at<br>31 March 2023 |
|-----------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| Bank deposits held as margin money and earmarked against other commitments [refer note (a) and (b) below] | 3,961.05               | 3,185.85               |
| Balances with banks in current accounts [refer note (c) and (d) below]                                    | 1,367.41               | 1,095.05               |
|                                                                                                           | <b>5,328.46</b>        | <b>4,280.90</b>        |

#### Notes:

- (a) Inter alia, includes deposits maintained for the jewellery purchase schemes for compliance with the Companies (Acceptance of Deposit) Rules, 2014 as per the Companies Act 2013, as amended, amounting to Rs. 316.72 millions. (31 March 2023 : Rs. 23.50 millions)
- (b) Inter alia, includes amounts held as margin monies with the banks as fixed deposit balances for security against gold metal loan amounting to Rs. 2,222.04 millions. (31 March 2023 : Rs. 1,855.00 millions)

## Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

### 18. Bank balances other than cash and cash equivalents *Contd.*

- (c) Inter alia, includes amounts held as margin monies with the banks as security amounting to Rs. 1121.51 millions. (31 March 2023 : Rs. 1,079.68 millions)
- (d) Inter alia, includes amounts held in unpaid dividend account with the banks amounting to Rs. 0.12 millions. (31 March 2023 : Rs. 15.37 millions)

### 19. Share capital

| Particulars                                                                                                                  | As at<br>31 March 2024 | As at<br>31 March 2023 |
|------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| <b>Authorised</b>                                                                                                            |                        |                        |
| 100,000,000 equity shares of Rs. 10 each                                                                                     | 1,000.00               | 1,000.00               |
| 14,000,000 0.01% compulsorily convertible non-cumulative preference shares of Rs. 10 each                                    | 140.00                 | 140.00                 |
|                                                                                                                              | <b>1,140.00</b>        | <b>1,140.00</b>        |
| <b>Issued, subscribed and paid up</b>                                                                                        |                        |                        |
| 77,704,173 equity shares (31 March 2023 : 55,849,653 equity shares) of Rs. 10 each                                           | 777.04                 | 558.50                 |
| Nil 0.01% compulsorily convertible non-cumulative preference shares (31 March 2023: 13,296,153 equity shares) of Rs. 10 each | -                      | 132.96                 |
|                                                                                                                              | <b>777.04</b>          | <b>691.46</b>          |

#### (a) Reconciliation of shares outstanding at the beginning and at the end of the reporting year:

| Particulars                                                                               | 31 March 2024       |               | 31 March 2023       |               |
|-------------------------------------------------------------------------------------------|---------------------|---------------|---------------------|---------------|
|                                                                                           | Number of<br>shares | Amount        | Number of<br>shares | Amount        |
| <b>Equity shares</b>                                                                      |                     |               |                     |               |
| Balance as at the beginning of the year                                                   | 5,58,49,653         | 558.50        | 5,31,86,112         | 531.86        |
| Add: Compulsorily convertible non-cumulative preference shares converted during the year  | 1,32,96,153         | 132.96        | 26,63,541           | 26.64         |
| Add: Shares issued during the year                                                        | 85,17,350           | 85.17         | -                   | -             |
| Add: Shares issued during the year for ESOP                                               | 41,017              | 0.41          | -                   | -             |
| <b>Balance as at the end of the year</b>                                                  | <b>7,77,04,173</b>  | <b>777.04</b> | <b>5,58,49,653</b>  | <b>558.50</b> |
| <b>Instruments entirely equity in nature</b>                                              |                     |               |                     |               |
| <b>0.01% compulsorily convertible non-cumulative preference shares</b>                    |                     |               |                     |               |
| Balance as at the beginning of the year                                                   | 1,32,96,153         | 132.96        | 1,32,96,153         | 132.96        |
| Less: Compulsorily convertible non-cumulative preference shares converted during the year | (1,32,96,153)       | (132.96)      | -                   | -             |
| <b>Balance as at the end of the year</b>                                                  | <b>-</b>            | <b>-</b>      | <b>1,32,96,153</b>  | <b>132.96</b> |

#### (b) Terms and rights attached to shares

##### Rights, preferences and restrictions attached to equity shares

The Holding Company has a single class of equity shares having face value of Rs. 10/- each. Accordingly, all equity shares rank equally with regard to dividends and share in the Holding Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Holding Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. Failure to pay any amount called up on shares may lead to forfeiture of the shares. On winding up of the Holding Company, the holders of equity shares will be entitled to receive the residual assets of the Holding Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

## Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

### 19. Share capital *Contd.*

#### Rights, preferences and restrictions attached to compulsorily convertible non-cumulative preference shares

Compulsorily convertible non-cumulative preference shares were issued at par on 8 October 2014 and each share was convertible into one equity share of par value Rs. 10 at any time on or after 8 October 2014 but not later than 7 October 2034. The Board of Directors of the Holding Company had the power to decide the appropriate mechanism for transfer/buy back of these shares, in case the same was exercised by the holder of such preference shares. The holders of these shares were entitled to a non-cumulative dividend of 0.01% of the face value of the preference shares. The holders of the preference shares were also entitled to participate in dividend and capital distributed by the Holding Company over and above the preference dividend on as-if converted basis *pari passu* with the holders of the equity shares of the Holding Company.

Preference shares carried a preferential right as to dividend over equity shareholders. Where dividend on preference shares was not declared for a financial year, the entitlement thereto in the case of non-cumulative preference shares for that year lapses. The preference shares were entitled to one vote per share at meetings of the Holding Company on any resolutions of the Holding Company directly affecting their rights as mentioned in their shareholder agreement. In the event of liquidation, preference shareholders had a preferential right over equity shareholders to be repaid to the extent of capital paid-up on such shares.

During the current year, this compulsorily convertible non-cumulative preference shares have been converted to equity share capital.

#### (c) Particulars of shareholders holding more than 5% shares of a class of shares

| Particulars                                                                            | 31 March 2024      |                   | 31 March 2023      |                   |
|----------------------------------------------------------------------------------------|--------------------|-------------------|--------------------|-------------------|
|                                                                                        | Number of shares   | % of shareholding | Number of shares   | % of shareholding |
| <b>(i) Equity shares</b>                                                               |                    |                   |                    |                   |
| <b>Equity shares of Rs. 10 each fully paid up, held by:</b>                            |                    |                   |                    |                   |
| Jai Hanuman Shri Siddhivinayak Trust (Trustees - Mr. Suvankar Sen, Mrs. Joita Sen)     | 3,44,36,529        | 44.32%            | 3,44,36,529        | 61.66%            |
| Mr. Suvankar Sen                                                                       | 1,18,90,968        | 15.30%            | 1,18,90,968        | 21.29%            |
| Saif Partners India IV Limited, Mauritius (*)                                          | 83,68,252          | 10.77%            | 300                | -                 |
| Om Gaan Ganpataye Bajrangbali Trust (Trustees - Mr. Suvankar Sen and Mrs. Ranjana Sen) | 53,34,246          | 6.86%             | 53,34,246          | 9.55%             |
|                                                                                        | <b>6,00,29,995</b> | <b>77.25%</b>     | <b>5,16,62,043</b> | <b>92.50%</b>     |
| (*) Less than 5% in the previous financial year 2022-23                                |                    |                   |                    |                   |
| <b>(ii) Instruments entirely equity in nature</b>                                      |                    |                   |                    |                   |
| <b>0.01% compulsorily convertible non-cumulative preference shares</b>                 | -                  | -                 | 1,32,96,153        | 100.00%           |
| Saif Partners India IV Limited, Mauritius                                              | -                  | -                 | 1,32,96,153        | 100.00%           |

#### (d) Shareholding of promoters are as follows:

| Particulars                                                                            | No. of shares | % of total shares | % change during the year |
|----------------------------------------------------------------------------------------|---------------|-------------------|--------------------------|
| <b>As at 31 March 2024</b>                                                             |               |                   |                          |
| Jai Hanuman Shri Siddhivinayak Trust (Trustees - Mr. Suvankar Sen, Mrs. Joita Sen)     | 3,44,36,529   | 44.32%            | (17.34%)                 |
| Om Gaan Ganpataye Bajrangbali Trust (Trustees - Mr. Suvankar Sen and Mrs. Ranjana Sen) | 53,34,246     | 6.86%             | (2.69%)                  |
| Mr. Suvankar Sen                                                                       | 1,18,90,968   | 15.30%            | (5.99%)                  |

## Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

### 19. Share capital *Contd.*

| Particulars                                                                                                                                                                  | No. of shares | % of total shares | % change during the year |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-------------------|--------------------------|
| <b>As at 31 March 2023</b>                                                                                                                                                   |               |                   |                          |
| Jai Hanuman Shri Siddhivinayak Trust<br>{Trustees - Mr. Suvankar Sen, Mrs. Joita Sen} [with effect from (w.e.f.) 14 April 2021] and late Mr. Sankar Sen (upto 28 July 2020)} | 3,44,36,529   | 61.66%            | -                        |
| Om Gaan Ganpataye Bajrangbali Trust<br>(Trustees - Mr. Suvankar Sen and Mrs. Ranjana Sen)                                                                                    | 53,34,246     | 9.55%             | -                        |
| Mr. Suvankar Sen                                                                                                                                                             | 1,18,90,968   | 21.29%            | -                        |

#### (e) Equity shares reserved for issue under options and contracts/ commitments for sale of share/ disinvestment:

| Particulars                                                                        | Number      | Amount |
|------------------------------------------------------------------------------------|-------------|--------|
| <b>As at 31 March 2024:</b>                                                        |             |        |
| - Employee's share based payments plan (refer note 41)                             | 2,16,083    | 2.16   |
| <b>As at 31 March 2023:</b>                                                        |             |        |
| - Compulsorily convertible non-cumulative preference shares [refer note (b) above] | 1,32,96,153 | 132.96 |
| - Employee's share based payments plan (refer note 41)                             | 1,62,100    | 1.62   |

#### (f) Ordinary shares allotted as fully paid pursuant to contract without payment being received in cash during the period of immediately preceding five years: Nil

#### (g) For the period of five years immediately preceding the date as at which the Balance Sheet is prepared aggregate number and class of shares allotted as fully paid-up by way of bonus shares:

| Particulars                                                                          | Number      | Amount |
|--------------------------------------------------------------------------------------|-------------|--------|
| <b>Year ended 31 March 2019</b>                                                      |             |        |
| - Equity shares (refer note below)                                                   | 3,54,57,408 | 354.57 |
| - 0.01% compulsorily convertible non-cumulative preference shares [refer note below] | 88,64,102   | 88.64  |

#### (h) aggregate number and class of shares bought back during the year of immediately preceding five years: Nil

#### (i) The Company completed the Initial Public Offer ('IPO') its equity shares during the year ended March 2024 and listed its shares on Bombay Stock Exchange and National Stock Exchange on 14 July 2023. Pursuant to IPO, the Company had allotted 85,17,350 fresh equity shares of Rs. 10 each to public at a premium of Rs. 307 per equity share on 14 July 2023. The total share premium arising on IPO amounting to Rs. 228.03 millions had been accounted under securities premium reserve.

#### Note:

The Board of Directors of the Holding Company at its meeting held on 3 March 2018 had recommended issue of bonus shares, subject to the approval of shareholders in their ensuing general meeting, in the ratio of two equity shares of Rs. 10 each for every one equity share of Rs. 10 each and two compulsorily convertible non-cumulative preference shares of Rs. 10 each for every one compulsorily convertible non-cumulative preference share of Rs. 10 each of the Holding Company as held by the shareholders as on the record date. The issue of bonus shares was approved by the shareholders of the Holding Company in the Extra Ordinary General Meeting held on 28 March 2018, by way of special resolution, and accordingly, the Holding has allotted 3,54,57,408 equity shares of Rs. 10 each and 8,864,102 compulsorily convertible non-cumulative preference shares of Rs. 10 each on 6 May 2018 to their shareholders.

## Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

### 20. Other Equity

| Particulars                                                   | As at<br>31 March 2024 | As at<br>31 March 2023 |
|---------------------------------------------------------------|------------------------|------------------------|
| <b>Reserves and surplus</b>                                   |                        |                        |
| Securities premium                                            | 3,434.40               | 1,037.71               |
| General reserve                                               | 153.64                 | 153.64                 |
| Share based payment reserve                                   | 10.53                  | 4.37                   |
| Special economic re-investment reserve                        | 1.15                   | 1.15                   |
| Retained earnings                                             | 9,279.38               | 7,565.86               |
| <b>Other comprehensive income</b>                             |                        |                        |
| Foreign Currency Translation Reserve                          | (1.86)                 | -                      |
| Equity instruments through other comprehensive income ('OCI') | 1.14                   | 1.01                   |
|                                                               | <b>12,878.38</b>       | <b>8,763.74</b>        |

The description, nature and purpose of each reserve within other equity are as follows:

- (a) **Security premium:** Security premium is credited when shares are issued at premium. It is utilised in accordance with the provisions of the Companies Act, 2013.
- (b) **General reserve:** The Group had transferred a portion of the net profit of the Group before declaring dividend to general reserve pursuant to the erstwhile provisions of the Companies Act, 1956. Consequent to the introduction of the Companies Act, 2013, there is no such requirement to mandatorily transfer a specified percentage of net profit to general reserve.
- (c) **Share based payment reserve:** This represents the fair value of the stock options granted by the Group, accumulated over the vesting period. The reserve will be utilised on exercise of the options.
- (d) **Special economic re-investment reserve:** It has been created for the purpose of acquiring machinery or plant which is put to use before the expiry of three years following the previous year in which the reserve was created.
- (e) **Retained earnings:** Retained earnings represents the profits earned by the Group till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.
- (f) **Equity instruments through OCI:** The Group has elected to recognise changes in the fair value of certain investments in equity instruments in other comprehensive income. These changes are accumulated within the equity instruments through OCI shown under the head other equity.
- (g) **Foreign currency translation reserve:** Represents the cumulative difference on translation of foreign operations.

### 21. Borrowings

| Particulars                                               | As at<br>31 March 2024 | As at<br>31 March 2023 |
|-----------------------------------------------------------|------------------------|------------------------|
| <b>Non - current</b>                                      |                        |                        |
| Secured Loans :                                           |                        |                        |
| Term loan (unsecured)                                     | 14.26                  | 17.75                  |
|                                                           | <b>14.26</b>           | <b>17.75</b>           |
| Less: Current maturities of term loans                    | 3.72                   | 3.49                   |
|                                                           | <b>10.54</b>           | <b>14.26</b>           |
| <b>Current</b>                                            |                        |                        |
| Loans repayable on demand from banks:                     |                        |                        |
| - Cash credit facilities (secured) [refer note (a) below] | 1,675.72               | 2,248.04               |
| - Short term demand loan (secured) [refer note (b) below] | 4,202.58               | 3,129.86               |
| Other loans from banks:                                   |                        |                        |
| - Gold metal loans (secured) [refer note (c) below]       | 9,066.98               | 6,376.09               |
| Current maturities of non-current borrowings:- Term loan  | 3.72                   | 3.49                   |
| Interest accrued on borrowings                            | 23.85                  | 20.96                  |
|                                                           | <b>14,972.85</b>       | <b>11,778.44</b>       |

## Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

### Notes:

- (a) Cash credit facilities from banks carry interest ranging between 8.75% p.a. - 11.65% p.a. (31 March 2023 : 8.00% p.a. - 11.50% p.a.), computed on a daily basis on the actual amount utilised, and are repayable on demand. These are secured by way of hypothecation of the Holding Company's entire inventories and such other movables including book debts, bills whether documentary or clean, outstanding monies, receivables, both present and future, pertaining to all shops and showrooms of the Holding Company, entire property, plant and equipments, present and future, except for land and building not provided as collateral in a form and manner satisfactory to the bank. The loan is also secured by the unconditional and irrevocable personal guarantees given by Mrs. Joita Sen (Director) and Mr. Suvankar Sen (Managing Director and Chief Executive Officer).
- (b) Short-term demand loan (working capital demand loan) has been availed from Banks for financing of the working capital requirement for a period of 60 - 90 days. The rate of interest on the facilities is ranging between 9.00% p.a. - 12.05% p.a. (31 March 2023: 7.50% p.a. - 11.40% p.a.) fixed and shall be payable at monthly rests on the 1<sup>st</sup> day of the subsequent month/maturity, wherever applicable. The facility is secured against personal guarantees of Mrs. Joita Sen (Director) and Mr. Suvankar Sen (Managing Director and Chief Executive Officer).
- (c) Gold metal loans carry interest ranging between 2.25% p.a. - 4.25% p.a. (31 March 2023: 2.75% p.a. - 4.25% p.a.), calculated on the quantum of ounce outstanding. These are repayable within 270 days, if the end use of bullion is for export purposes and within 180 days if the end use of bullion is for domestic purposes. These loans are secured by standby letter of credits provided by the issuing bank to the bullion bank, earmarked cash credit limits, fixed deposits and margin account balances with an excess value of margin money of 1% - 12%.
- (d) There has been no default in repayment of principal amount or interest thereon during the current and previous financial year.

### 22. Lease liabilities

| Particulars                      | As at<br>31 March 2024 | As at<br>31 March 2023 |
|----------------------------------|------------------------|------------------------|
| <b>Non-current</b>               |                        |                        |
| Lease obligations (refer note 8) | 2,354.62               | 1,884.02               |
|                                  | <b>2,354.62</b>        | <b>1,884.02</b>        |
| <b>Current</b>                   |                        |                        |
| Lease obligations (refer note 8) | 273.44                 | 213.51                 |
|                                  | <b>273.44</b>          | <b>213.51</b>          |

### 23. Other financial liabilities

| Particulars                                  | As at<br>31 March 2024 | As at<br>31 March 2023 |
|----------------------------------------------|------------------------|------------------------|
| <b>Non - current</b>                         |                        |                        |
| Security deposits                            | 43.54                  | 6.19                   |
|                                              | <b>43.54</b>           | <b>6.19</b>            |
| <b>Current</b>                               |                        |                        |
| Creditor for capital goods                   | 24.07                  | 97.20                  |
| Accrued salaries and benefits                | 99.10                  | 141.61                 |
| Unpaid dividends (*)                         | 0.12                   | 15.38                  |
| Mark to market loss on gold future contracts | 447.56                 | 194.01                 |
| Accrued expenses (#)                         | 116.31                 | 60.82                  |
|                                              | <b>687.16</b>          | <b>509.02</b>          |

(\*) These are not yet due for credit into the Investor Education and Protection Fund, in accordance with Section 124 of the Act, as at the year end.

(#) These are not yet due as on the reporting date.

## Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

### 24. Provisions

| Particulars                             | As at<br>31 March 2024 | As at<br>31 March 2023 |
|-----------------------------------------|------------------------|------------------------|
| <b>Non - current</b>                    |                        |                        |
| <b>Provision for employee benefits:</b> |                        |                        |
| Gratuity (refer note 40)                | 28.05                  | 6.32                   |
|                                         | <b>28.05</b>           | <b>6.32</b>            |
| <b>Current</b>                          |                        |                        |
| <b>Provision for employee benefits:</b> |                        |                        |
| Compensated absences                    | 37.81                  | 20.20                  |
|                                         | <b>37.81</b>           | <b>20.20</b>           |

### 25. Other liabilities

| Particulars                                                       | As at<br>31 March 2024 | As at<br>31 March 2023 |
|-------------------------------------------------------------------|------------------------|------------------------|
| <b>Non - current</b>                                              |                        |                        |
| Deferred income                                                   | 18.93                  | 1.76                   |
| Deposits received from customers under jewellery purchase schemes | -                      | 243.43                 |
|                                                                   | <b>18.93</b>           | <b>245.19</b>          |
| <b>Current</b>                                                    |                        |                        |
| Advance from customers                                            | 955.31                 | 964.74                 |
| Deposits received from customers under jewellery purchase schemes | 1,629.89               | 1,919.38               |
| Liability towards customer loyalty program                        | 224.60                 | 189.36                 |
| Statutory dues payable                                            | 22.97                  | 22.61                  |
| Deferred income                                                   | 5.42                   | 0.54                   |
| Contract liability (*)                                            | 82.53                  | 52.24                  |
|                                                                   | <b>2,920.72</b>        | <b>3,148.87</b>        |

**Note:**

(\*) Contract liability represents the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied as at the end of the reporting period. Thus, it represents the value of sales the Group estimates to be returned on account of sales return.

### 26. Trade payables

| Particulars                                                                            | As at<br>31 March 2024 | As at<br>31 March 2023 |
|----------------------------------------------------------------------------------------|------------------------|------------------------|
| Total outstanding dues of micro enterprises and small enterprises                      | 183.27                 | 197.54                 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises |                        |                        |
| - Acceptances (*)                                                                      | 421.63                 | 250.51                 |
| - Other than acceptances                                                               | 1,463.91               | 1,168.87               |
|                                                                                        | <b>2,068.81</b>        | <b>1,616.92</b>        |

**Note:**

(\*) The Group enters into deferred payment arrangements (acceptances) wherein dues to micro, small and medium enterprises ('MSME') are paid by banks, which is subsequently settled by the Group at a later date. Interest borne on such arrangements is accounted for as finance cost.

## Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

### (a) Trade payables ageing:

| Particulars                | Outstanding for following periods from due date of payment |              |             |                   |                 |
|----------------------------|------------------------------------------------------------|--------------|-------------|-------------------|-----------------|
|                            | Less than 1 year                                           | 1-2 years    | 2-3 years   | More than 3 years | Total           |
| <b>As at 31 March 2024</b> |                                                            |              |             |                   |                 |
| (i) MSME                   | 183.27                                                     | -            | -           | -                 | 183.27          |
| (ii) Others                | 1,866.68                                                   | 15.93        | 0.74        | 2.19              | 1,885.54        |
| (iii) Disputed dues- MSME  | -                                                          | -            | -           | -                 | -               |
| (iv) Disputed dues- others | -                                                          | -            | -           | -                 | -               |
|                            | <b>2,049.95</b>                                            | <b>15.93</b> | <b>0.74</b> | <b>2.19</b>       | <b>2,068.81</b> |
| <b>As at 31 March 2023</b> |                                                            |              |             |                   |                 |
| (i) MSME                   | 197.54                                                     | -            | -           | -                 | 197.54          |
| (ii) Others                | 1,409.17                                                   | 2.61         | 1.64        | 5.96              | 1,419.38        |
| (iii) Disputed dues- MSME  | -                                                          | -            | -           | -                 | -               |
| (iv) Disputed dues- others | -                                                          | -            | -           | -                 | -               |
|                            | <b>1,606.71</b>                                            | <b>2.61</b>  | <b>1.64</b> | <b>5.96</b>       | <b>1,616.92</b> |

### 27. Current tax liabilities (net)

| Particulars                                                                                                                               | As at<br>31 March 2024 | As at<br>31 March 2023 |
|-------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| Provision for tax<br>(net of advance tax and taxes deducted at source of Rs. 2,339.18 millions)<br>(31 March 2023: Rs. 1,626.91 millions) | 154.69                 | 155.05                 |
|                                                                                                                                           | <b>154.69</b>          | <b>155.05</b>          |

### 28. Revenue from operations

| Particulars                     | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|---------------------------------|-----------------------------|-----------------------------|
| <b>Sale of products</b>         | 52316.89                    | 40697.48                    |
| <b>Other operating revenue:</b> |                             |                             |
| - Franchisee fees               | 97.54                       | 76.56                       |
|                                 | <b>52,414.43</b>            | <b>40,774.04</b>            |

Disclosures pursuant to Ind AS 115 - Revenue from contract with customers, are as follows:

#### (a) Revenue streams

The Company generates revenue primarily from the sale of jewellery and other articles. Other sources of revenue includes income from franchisee fees.

#### (b) Disaggregation of revenue from contracts with customers

The Company has performed a disaggregated analysis of revenues considering the nature, amount, timing and uncertainty of revenues. This includes disclosure of revenues by product lines, timing of revenue recognition and geography:

| Particulars                                                                        | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|------------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| <b>A. Revenue by product lines and others:</b>                                     |                             |                             |
| Gold jewellery                                                                     | 44,611.47                   | 34,806.65                   |
| Diamond jewellery (Including gold, platinum and other components on the jewellery) | 5,731.50                    | 4,220.56                    |

## Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

### 28. Revenue from operations *Contd.*

| Particulars                                                                   | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|-------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| Platinum jewellery                                                            | 1,234.43                    | 1,060.36                    |
| Silver jewellery and articles                                                 | 481.21                      | 390.39                      |
| Precious/semi precious stones                                                 | 137.75                      | 121.04                      |
| Fashion jewellery                                                             | 118.13                      | 96.63                       |
| Novelty and accessories                                                       | 2.40                        | 1.85                        |
| Franchisee fees                                                               | 97.54                       | 76.56                       |
|                                                                               | <b>52,414.43</b>            | <b>40,774.04</b>            |
| <b>B. Revenue by timing of revenue recognition:</b>                           |                             |                             |
| Goods transferred at a point in time when performance obligation is satisfied | 52,414.43                   | 40,774.04                   |
| Revenue as per operating segment (refer note 44)                              | <b>52,414.43</b>            | <b>40,774.04</b>            |
| <b>C. Revenue by geography:</b>                                               |                             |                             |
| Domestic                                                                      | 50,335.36                   | 40,075.85                   |
| Outside India                                                                 | 2,079.07                    | 698.19                      |
| Revenue as per operating segment (refer note 44)                              | <b>52,414.43</b>            | <b>40,774.04</b>            |

#### D. Contract balance

The following table provides information about trade receivables, contract assets and contract liabilities from contracts with customers:

| Particulars                                                                                                                                                      | Note | As at<br>31 March 2024 | As at<br>31 March 2023 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|------------------------|------------------------|
| Receivables, which are included in 'trade receivables' (net of provision)                                                                                        | 16   | 528.68                 | 454.22                 |
| Contract assets                                                                                                                                                  | 14   | 76.26                  | 47.77                  |
| Contract liabilities (includes order advances, liability towards customer loyalty program and deposits received from customers under jewellery purchase schemes) | 25   | 2,892.33               | 3,369.15               |

#### E. Reconciliation of revenue recognised in the Consolidated Statement of Profit and Loss with the contracted price:

| Particulars                                    | As at<br>31 March 2024 | As at<br>31 March 2023 |
|------------------------------------------------|------------------------|------------------------|
| Sale of products                               | 54,038.81              | 41,969.57              |
| Less: Variable consideration (discounts, etc.) | 1,721.92               | 1,272.09               |
| <b>Total sale of products</b>                  | <b>52,316.89</b>       | <b>40,697.48</b>       |

### 29. Other income

| Particulars                                                    | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|----------------------------------------------------------------|-----------------------------|-----------------------------|
| Interest income on bank deposits                               | 234.98                      | 122.22                      |
| Interest income on financial assets measured at amortised cost | 13.57                       | 29.96                       |
| Net gain on foreign currency transactions and translations     | 21.85                       | 20.08                       |
| Liabilities no longer required, written back                   | 46.28                       | 18.35                       |
| Unwinding of discount on financial assets                      | 15.91                       | 12.27                       |
| Gain on lease modification                                     | 17.03                       | 13.05                       |
| Profit from disposal of property, plant and equipment (net)    | 0.24                        | -                           |
| Interest on income tax refund                                  | 4.94                        | -                           |
| Ineffective portion of change in fair value of metals          | 53.27                       | 94.50                       |
| Others                                                         | 14.33                       | 0.93                        |
|                                                                | <b>422.40</b>               | <b>311.36</b>               |

## Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

### 30. Cost of materials consumed

| Particulars                                             | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|---------------------------------------------------------|-----------------------------|-----------------------------|
| Inventory of raw materials at the beginning of the year | 2,439.51                    | 1,461.02                    |
| Add: Purchases during the year                          | 40,032.01                   | 30,700.68                   |
| Less: Inventory of raw materials at the end of the year | 3,499.82                    | 2,439.51                    |
|                                                         | <b>38,971.70</b>            | <b>29,722.19</b>            |

### 31. Purchases of stock-in-trade

| Particulars                 | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|-----------------------------|-----------------------------|-----------------------------|
| Purchases of stock-in-trade | 10,084.14                   | 8,460.78                    |
|                             | <b>10,084.14</b>            | <b>8,460.78</b>             |

### 32. Changes in inventories of finished goods and stock-in-trade

| Particulars                    | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|--------------------------------|-----------------------------|-----------------------------|
| <b>Opening stock</b>           |                             |                             |
| - Finished goods               | 11,991.99                   | 9,701.83                    |
| - Stock-in-trade               | 4,423.07                    | 2,749.60                    |
|                                | <b>16,415.06</b>            | <b>12,451.43</b>            |
| <b>Less: Closing stock</b>     |                             |                             |
| - Finished goods               | 15,359.67                   | 11,991.99                   |
| - Stock-in-trade               | 5,710.70                    | 4,423.07                    |
|                                | <b>21,070.37</b>            | <b>16,415.06</b>            |
| <b>Increase in inventories</b> | <b>(4,655.31)</b>           | <b>(3,963.63)</b>           |

### 33. Employee benefits expense

| Particulars                                               | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|-----------------------------------------------------------|-----------------------------|-----------------------------|
| Salaries and wages                                        | 972.33                      | 829.62                      |
| Contribution to provident and other funds (refer note 40) | 79.46                       | 60.98                       |
| Share based payment expenses (refer note 41)              | 6.16                        | 3.51                        |
| Staff welfare expenses                                    | 54.34                       | 39.69                       |
|                                                           | <b>1,112.29</b>             | <b>933.80</b>               |

### 34. Finance costs

| Particulars                                       | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|---------------------------------------------------|-----------------------------|-----------------------------|
| <b>Interest expense on financial liabilities:</b> |                             |                             |
| - on working capital loans and term loans         | 459.57                      | 378.55                      |
| - on gold metal loans                             | 213.13                      | 163.46                      |
| - unwinding of discount on security deposits      | 2.63                        | 0.44                        |
| Interest on lease liabilities (refer note 8)      | 284.77                      | 219.01                      |
| Interest on income-tax                            | 8.20                        | 12.83                       |
| Other borrowing costs                             | 112.73                      | 86.24                       |
|                                                   | <b>1,081.03</b>             | <b>860.53</b>               |

## Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

### 35. Depreciation and amortisation expense

| Particulars                                                  | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|--------------------------------------------------------------|-----------------------------|-----------------------------|
| Depreciation of property, plant and equipment (refer note 6) | 226.46                      | 166.08                      |
| Depreciation of right-of-use assets (refer note 8)           | 357.00                      | 282.41                      |
| Amortisation of intangible assets (refer note 9)             | 17.63                       | 7.04                        |
|                                                              | <b>601.09</b>               | <b>455.53</b>               |

### 36. Other expenses

| Particulars                                              | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|----------------------------------------------------------|-----------------------------|-----------------------------|
| Advertising and sales promotion                          | 1,033.73                    | 810.36                      |
| Assets written off                                       |                             | 3.54                        |
| Job work charges                                         | 847.37                      | 651.96                      |
| Packing materials consumed                               | 49.02                       | 44.47                       |
| Rent [refer note 8(d)]                                   | 67.26                       | 57.96                       |
| Repairs and maintenance:                                 |                             |                             |
| - plant and equipments                                   | 17.49                       | 15.01                       |
| - buildings                                              | 20.70                       | 19.16                       |
| - others                                                 | 149.12                      | 170.86                      |
| Travelling expenses                                      | 53.02                       | 30.48                       |
| Electricity charges                                      | 93.17                       | 70.75                       |
| Legal and professional                                   | 193.22                      | 52.51                       |
| Brokerage and commission                                 | 30.02                       | 10.59                       |
| Bank charges                                             | 130.18                      | 121.50                      |
| Insurance                                                | 55.75                       | 35.22                       |
| Fair value loss on commodity hedging contracts           |                             | 54.06                       |
| Rates and taxes                                          | 86.69                       | 88.69                       |
| Payment to auditors [refer note (a) below]               | 7.84                        | 4.34                        |
| Corporate social responsibility expenses (refer note 46) | 32.25                       | 26.50                       |
| Allowance for expected credit loss                       | -                           | 2.45                        |
| Bad debt written off                                     | -                           | 1.00                        |
| Security expenses                                        | 224.51                      | 124.74                      |
| Security deposit written off                             | -                           | 12.11                       |
| Miscellaneous expenses                                   | 55.17                       | 46.42                       |
|                                                          | <b>3,146.51</b>             | <b>2,454.68</b>             |

#### Note:

(a) Payments to auditors (excluding applicable taxes) (\*)

| Particulars                         | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|-------------------------------------|-----------------------------|-----------------------------|
| (i) Auditor                         | 6.85                        | 3.50                        |
| (ii) For other services             | 0.85                        | 0.65                        |
| (iii) For reimbursement of services | 0.14                        | 0.19                        |
|                                     | <b>7.84</b>                 | <b>4.34</b>                 |

(\*)During the year Rs. 2.18 million (31 March 2023: Rs. 10.16 million) has been paid to the auditor in reference to the initial public offer related work, inter alia, including fees for special purpose audits, audit of restated consolidated financial information and certain other certifications of the Holding Company. These IPO related expenses has been adjusted against the securities premium to the extent permissible under Section 52 of the Companies Act, 2013.

## Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

### 37. Tax expenses

#### A. Tax expense recognised in the Consolidated Statement of Profit and Loss:

| Particulars                   | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|-------------------------------|-----------------------------|-----------------------------|
| <b>Current tax:</b>           |                             |                             |
| - Current year                | 728.02                      | 634.74                      |
| - Pertaining to earlier years | -                           | (21.38)                     |
| Deferred tax credit           | (42.68)                     | (36.63)                     |
|                               | <b>685.63</b>               | <b>576.73</b>               |

#### B. The major component of the reconciliation of expected tax expense based on the domestic effective tax rate of the Company and the reported tax expense in the Consolidated Statement of Profit and Loss are as follows:

| Particulars                                                      | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|------------------------------------------------------------------|-----------------------------|-----------------------------|
| <b>Profit before tax</b>                                         | 2,495.38                    | 2,161.52                    |
| Enacted tax rates in India (%)                                   | 25.17%                      | 25.17%                      |
| <b>Computed tax expense</b>                                      | 628.04                      | 544.01                      |
| Effect of non-deductible expenses                                | 57.30                       | 54.10                       |
| Prior year taxes                                                 | -                           | (21.38)                     |
| <b>Total tax expense as per the Statement of Profit and Loss</b> | <b>685.34</b>               | <b>576.73</b>               |

#### C. The following tables provides the details of income-tax assets and current tax liabilities:

| Particulars                              | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|------------------------------------------|-----------------------------|-----------------------------|
| Advance tax (refer note 13)              | 165.73                      | 184.87                      |
| Provision for tax (refer note 27)        | (154.69)                    | (155.05)                    |
| <b>Net position (income-tax asset)</b>   | <b>11.04</b>                | <b>29.82</b>                |
| <b>a. Income-tax assets</b>              |                             |                             |
| Opening balance                          | 184.87                      | 180.36                      |
| Tax deducted at source during the year   | 1.48                        | 0.44                        |
| Refund received during the year          | (21.17)                     | -                           |
| Prior year taxes                         | -                           | 4.07                        |
| Transferred from current tax liabilities | 0.55                        | -                           |
|                                          | <b>165.73</b>               | <b>184.87</b>               |
| <b>b. Current tax liabilities</b>        |                             |                             |
| Opening balance                          | 155.05                      | 138.51                      |
| Provision for tax                        | 728.02                      | 634.74                      |
| Interest on taxes                        | 8.20                        | 12.83                       |
| Advance tax paid during the year         | (595.00)                    | (485.00)                    |
| Tax deducted at source during the year   | (42.13)                     | (34.65)                     |
| Self assessment tax paid                 | (100.00)                    | (90.00)                     |
| Prior year taxes                         | -                           | (21.38)                     |
| Transferred to income-tax assets         | 0.55                        | -                           |
|                                          | <b>154.69</b>               | <b>155.05</b>               |
| <b>Net position</b>                      | <b>11.04</b>                | <b>29.82</b>                |

## Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

### 38. Earnings per equity share (EPS)

| Particulars                                                                                                                                   | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|-----------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| <b>i. Weighted average number of equity shares of Rs. 10 each for basic earnings per share:</b>                                               |                             |                             |
| Number of equity shares at the end of the year (A)                                                                                            | 7,52,43,359                 | 5,58,49,653                 |
| Effect of compulsorily convertible non-cumulative preference shares (B)                                                                       | -                           | 1,32,96,153                 |
| Weighted average number of equity shares outstanding at the end of the year for calculating basic earnings per equity share [(C) = (A)+(B)]   | 7,52,43,359                 | 6,91,01,901                 |
| Add: Stock options granted to employees (refer note 41) (D)                                                                                   | 2,30,403                    | 1,67,127                    |
| Weighted average number of equity shares outstanding at the end of the year for calculating diluted earnings per equity share [(E) = (C)+(D)] | 7,54,73,762                 | 6,92,69,028                 |
| <b>ii. Net profit for the year (F)</b>                                                                                                        | 1,810.04                    | 1,584.79                    |
| <b>iii. Basic earnings per equity share (Rs. ) (F) / (C)</b>                                                                                  | 24.06                       | 22.93                       |
| <b>iv. Diluted earnings per equity share (Rs. ) (F) / (E)</b>                                                                                 | 23.98                       | 22.87                       |

### 39. Dividend on shares

| Particulars                                                                                                                  | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|------------------------------------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| Interim dividend on equity shares @ Rs. 1.00/ per share for the year ended 31 March 2024                                     | 77.66                       | -                           |
| Interim dividend on equity shares @ Rs. 1.50/ per share for the year ended 31 March 2023 ( Rs. 0.50 and Rs. 1.00 per share)  | -                           | 83.77                       |
| Interim dividend on preference shares @ Rs. 1.501 /share for the year ended 31 March 2023 (Rs. 0.501 and Rs. 1.01 per share) | -                           | 19.97                       |
| Final dividend on equity shares @ Rs. 0.50/ per share for the year ended 31 March 2022                                       | -                           | 27.92                       |
| Final dividend on preference shares @ Rs. 0.501/ per share for the year ended 31 March 2022                                  | -                           | 6.66                        |
|                                                                                                                              | <b>77.66</b>                | <b>138.32</b>               |

(\*)The board of directors of the company of their meeting held on 09 November 2023 had recommended as interim dividend @ 10% (Rs. 1 per equity share of face value of 10) and was subsequently paid further the Board of Directors of the holding company have recommended final dividend Rs. 1.00 (10%) per equity share of Rs. 10 each for the financial year 2023-24. The dividend is subject to the approval of the shareholders is ensuring Annual General Meeting of the holding company.

### 40. Employee benefits

#### Defined contribution plans

The Group makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund, which is a defined contribution plan. The Group has no obligations other than to make the specified contributions. The contributions are charged to the consolidated Statement of Profit and Loss as they accrue. The amount recognised as an expense towards contribution to Provident and Pension Fund for the year aggregated to Rs. 60.42 (31 March 2023: Rs. 52.55 millions)

#### Defined benefit plans

The Group operates one post-employment defined benefit plans (i.e., gratuity). The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive 15 days basic salary for each year of completed service at the time of retirement/exit. Gratuity scheme is funded by the plan assets.

## Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

### 40. Employee benefits *Contd.*

#### Inherent risk

The plan is defined benefit in nature which is sponsored by the Group and hence it underwrites all the risk pertaining to the plan. In particular, this exposes the Group, to actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature, the plan is not subject to longevity risk.

| Particulars                                          | As at<br>31 March 2024 | As at<br>31 March 2023 |
|------------------------------------------------------|------------------------|------------------------|
| Net defined benefit obligation (Gratuity)            | 99.25                  | 60.35                  |
| Net defined benefit asset (Gratuity)                 | (71.20)                | (54.03)                |
| Liability recognised in Balance Sheet                | <b>28.05</b>           | <b>6.32</b>            |
| Non-current                                          | 28.05                  | 6.32                   |
| Current                                              | -                      | -                      |
| <b>Net liability recognised in the Balance Sheet</b> | <b>28.05</b>           | <b>6.32</b>            |

The following tables analyse present value of defined benefit obligations, expense recognised in the consolidated Statement of Profit and Loss, actuarial assumptions and other information.

| Particulars                                                                 | As at<br>31 March 2024 | As at<br>31 March 2023 |
|-----------------------------------------------------------------------------|------------------------|------------------------|
| <b>(I) Reconciliation of present value of defined benefit obligation</b>    |                        |                        |
| (a) Balance at the beginning of the year                                    | 60.35                  | 43.34                  |
| (b) Current service cost                                                    | 13.79                  | 12.67                  |
| (c) Interest cost                                                           | 4.41                   | 2.99                   |
| (d) Benefits paid                                                           | (3.26)                 | (4.55)                 |
| (e) Actuarial (gains) / loss recognised in other comprehensive income:      |                        |                        |
| - change in financial assumptions                                           | 15.65                  | 0.21                   |
| - change in demographic assumptions                                         | 5.95                   | -                      |
| - experience adjustments                                                    | 2.36                   | 5.69                   |
| <b>Balance at the end of the year</b>                                       | <b>99.25</b>           | <b>60.35</b>           |
| <b>(II) Reconciliation of present value of plan assets</b>                  |                        |                        |
| (a) Balance at the beginning of the year                                    | 54.03                  | 42.61                  |
| (b) Interest income                                                         | 3.94                   | 3.10                   |
| (c) Employer contributions                                                  | 17.73                  | 13.92                  |
| (d) Benefits paid                                                           | (3.26)                 | (4.54)                 |
| (e) Return on plan assets recognised in other comprehensive income          | (1.24)                 | (1.06)                 |
| <b>Balance at the end of the year</b>                                       | <b>71.20</b>           | <b>54.03</b>           |
| <b>(III) Net liability recognised in the Balance Sheet</b>                  |                        |                        |
| (a) Present value of defined benefit obligation                             | (99.25)                | (60.35)                |
| (b) Fair value of plan assets                                               | 71.20                  | 54.03                  |
| <b>Net defined benefit obligations in the Balance Sheet</b>                 | <b>(28.05)</b>         | <b>(6.32)</b>          |
| <b>(IV) Expense recognised in Consolidated Statement of Profit and Loss</b> |                        |                        |
| (a) Current service costs                                                   | 13.79                  | 12.67                  |
| (b) Interest costs                                                          | 4.41                   | 2.99                   |
| (c) Expected return on plan assets                                          | (3.10)                 | (3.10)                 |
| <b>Expense recognised in Consolidated Statement of Profit and Loss</b>      | <b>15.10</b>           | <b>12.56</b>           |
| <b>(V) Remeasurements recognised in OCI</b>                                 |                        |                        |
| (a) Actuarial loss on defined benefit obligation                            | 23.96                  | 5.90                   |
| (b) Return on plan asset excluding interest income                          | 1.24                   | 1.06                   |
| <b>Amount recognised in OCI</b>                                             | <b>25.20</b>           | <b>6.96</b>            |

## Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

### 40. Employee benefits *Contd.*

| Particulars                                                                                                                       | As at<br>31 March 2024     | As at<br>31 March 2023     |
|-----------------------------------------------------------------------------------------------------------------------------------|----------------------------|----------------------------|
| <b>(VI) Plan assets:</b>                                                                                                          |                            |                            |
| Plan assets comprise the following:                                                                                               |                            |                            |
| (a) Invested with Life Insurance Corporation of India (100%)                                                                      | 71.20                      | 54.03                      |
|                                                                                                                                   | <b>71.20</b>               | <b>54.03</b>               |
| <b>(VII) Maturity profile of the defined benefit obligation:</b>                                                                  |                            |                            |
| Expected future payments (undiscounted):                                                                                          |                            |                            |
| Not later than 1 year                                                                                                             | 9.53                       | 1.41                       |
| Later than 1 year and not later than 5 years                                                                                      | 40.13                      | 4.49                       |
| More than 5 years                                                                                                                 | 154.08                     | 263.11                     |
|                                                                                                                                   | <b>203.74</b>              | <b>269.01</b>              |
| The average duration of the defined benefit plan obligation of the Holding Company at the end of the reporting period is 8 years. |                            |                            |
| <b>(VIII) Actuarial assumptions</b>                                                                                               |                            |                            |
| Principal actuarial assumptions at the reporting date                                                                             |                            |                            |
| (a) Discount rate-Senco Gold Limited (%)                                                                                          | 7.10%                      | 7.28%                      |
| Discount rate-Senco Gold ArtisanShip Private Limited (%)                                                                          | 7.15%                      | 7.26%                      |
| (b) Future salary growth (%)                                                                                                      | 10.00%                     | 7.00%                      |
| (c) Attrition rate-Senco Gold Limited (%)                                                                                         | 12.00%                     | 16.00%                     |
| Attrition rate- Senco Gold ArtisanShip Private Limited (%)                                                                        | 5.00%                      | 16.00%                     |
| (d) Retirement age (years)                                                                                                        | 60                         | 60                         |
| (e) Expected average remaining working life of employee: Senco Gold Limited (years)                                               | 26.58                      | 26.00                      |
| Expected average remaining working life of employee: Senco Gold ArtisanShip Private Limited (years)                               | 23.22                      | 22.00                      |
| (f) Mortality rate                                                                                                                | IALM 2012-2014<br>Ultimate | IALM 2012-2014<br>Ultimate |

#### Note:

- The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.
- Discount rate is based on the prevailing market yield of the Indian Government securities as at the year end for the estimated term of the obligation.

#### (IX) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligations by the amounts shown below:

| Particulars                               | 31 March 2024 |          | 31 March 2023 |          |
|-------------------------------------------|---------------|----------|---------------|----------|
|                                           | Increase      | Decrease | Increase      | Decrease |
| (a) Discount rate (0.50% movement)        | (7.44)        | 8.52     | (4.95)        | 5.51     |
| (b) Future salary growth (0.50% movement) | 8.10          | (7.24)   | 5.39          | (4.92)   |
| (c) Attrition rate (0.50% movement)       | (7.62)        | 14.47    | (0.16)        | 0.14     |
| (d) Mortality rate (10% movement)         | (0.03)        | 0.03     | (0.01)        | (0.01)   |

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions as shown.

- The Group expects to contribute Rs. 47.44 millions to its gratuity plan for the next year.

## Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

### 40. Employee benefits *Contd.*

#### (XI) Risk exposure:

Valuation are based on certain assumptions, which are dynamic in nature and may vary over time. As such valuations of the Group is exposed to follow risks -

- Salary increase: Higher than expected increases in salary will increase the defined benefit obligation.
- Discount rate: The defined benefit obligation calculated use a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.
- Mortality and disability: If the actual deaths and disability cases are lower or higher than assumed in the valuation, it can impact the defined benefit obligation.
- Withdrawals: If the actual withdrawals are higher or lower than the assumed withdrawals or there is a change in withdrawal rates at subsequent valuations, it can impact defined benefit obligation.

### 41. Employee's share based payment plans

#### Senco Gold Employee Stock Option Scheme- 2018

During the year ended 31 March 2018, the Holding Company implemented its Employee Stock Option Scheme ('the Plan'). The plan was originally approved by the members of the Holding Company on 24 May 2018 and subsequent amendments were approved on 25 October 2021. The Plan enables grant of stock options to the eligible employees of the Holding Company not exceeding 1,000,000 options, which is 1.79 % of the paid-up equity share capital of the Holding Company as on 31 March 2024. Further, the stock options to any single employee under the Plan shall not exceed 1% of the issued capital of the Holding Company, at the time of grant of options, during the tenure of the Plan, subject to compliance with Applicable Law. The options granted under the Plan have a maximum vesting period of 4 years.

#### (a) Details of stock options granted:

| Particulars                                  | Tranche 2           | Tranche 1           |
|----------------------------------------------|---------------------|---------------------|
| Grant date                                   | 20 July 2022        | 03 February 2022    |
| Vesting date                                 | 20 July 2026        | 03 February 2026    |
| Fair value as on Grant date (Rs. per option) | 350.00              | 331.00              |
| Exercise price (Rs. per option)              | 281.58              | 250.00              |
| Method of valuation                          | Black-Scholes Model | Black-Scholes Model |
| Expected life (years)                        | 4                   | 3                   |
| Expected volatility (%)                      | 54.23%              | 56.52%              |
| Dividend yield (%)                           | 15.00%              | 15.00%              |
| Risk free rate of return (%)                 | 6.86%               | 5.35%               |

#### (b) Movement of options:

| Particulars                                                | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|------------------------------------------------------------|-----------------------------|-----------------------------|
| Balance as at the beginning of the year                    | 1,62,100                    | 1,81,600                    |
| Options granted during the year                            | 95,000                      | 9,500                       |
| Options exercised during the year                          | (41,017)                    | -                           |
| Options forfeited during the year                          | -                           | -                           |
| Options lapsed during the year                             | -                           | (29,000)                    |
| <b>Balance as at the end of the year</b>                   | <b>2,16,083</b>             | <b>1,62,100</b>             |
| <b>Number of options exercisable at year end</b>           | <b>1,163</b>                | <b>-</b>                    |
| <b>Weighted average remaining contractual life (years)</b> | <b>7.84</b>                 | <b>8.84</b>                 |

- During the year ended 31 March 2024, the Holding Company has recognised an expense of Rs. 6.61 million (31 March 2023: Rs. 3.51 millions)
- The weighted average share price at the date of exercise of these options was Rs. 92.26.

## Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

### 42. Related party disclosures (as per Ind AS 24 - Related Party Disclosures)

#### A. List of related parties and their relationship

| Nature of relation                                                            | Name of related parties                                                                 |
|-------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|
| (i) Entity having control over the Company                                    | Jai Hanuman Shri Siddhivinayak Trust                                                    |
| (ii) Entity having significant influence over the Company                     | SAIF Partners India IV Limited, Mauritius (until 29 February 2024)                      |
| (iii) Key management personnel                                                | Mrs. Ranjana Sen, Director                                                              |
|                                                                               | Mr. Suvankar Sen, Managing Director and Chief Executive Officer (w.e.f. 12 August 2020) |
|                                                                               | Mrs. Joita Sen, Director                                                                |
|                                                                               | Mr. Vivek Kumar Mathur, Nominee Director (until 29 February 2024)                       |
|                                                                               | Mr. Bhaskar Sen, Independent Director                                                   |
|                                                                               | Mr. Kumar Shankar Datta, Independent Director                                           |
|                                                                               | Mr. Shankar Prasad Halder, Independent Director                                         |
|                                                                               | Mrs. Suman Varma, Independent Director                                                  |
|                                                                               | Mr. Sanjay Banka, Chief Financial Officer                                               |
|                                                                               | Mr. Surendra Gupta, Company Secretary and Compliance Officer                            |
| (iv) Relatives of key management personnel (*)                                | Mr. Joydeep Majumder                                                                    |
|                                                                               | Mrs. Kavita Banka                                                                       |
|                                                                               | Mrs. Tapasi Mullick                                                                     |
|                                                                               | Mrs. Anjana Dutta                                                                       |
|                                                                               | Mrs. Arpita Mazumdar                                                                    |
|                                                                               | Mrs. Monisha Mathur                                                                     |
|                                                                               | Mrs. Shyamali Majumder                                                                  |
|                                                                               | Mrs. Aparajita Majumder                                                                 |
|                                                                               | Mrs. Arpita Day                                                                         |
| (v) Enterprises controlled by key management personnel or their relatives (*) | Mangoe Construction Private Limited                                                     |
|                                                                               | P C Sen Charitable Trust                                                                |
|                                                                               | Senco Gold Limited Employee Group Gratuity Trust Fund                                   |
|                                                                               | Om Gaan Ganpataye Bajrangbali Trust                                                     |
|                                                                               | Race Automobiles Private Limited                                                        |
|                                                                               | Ankurhati Gems And Jewellery Manufacturers Welfare Association                          |
|                                                                               | Diamond Prestige Occupants Association                                                  |
|                                                                               | The Gem And Jewellery Export Promotion Council                                          |
|                                                                               | Arpita Agro Products Private Limited                                                    |
|                                                                               | Lira Realty Pvt Ltd                                                                     |

(\*) Names of related parties and description of relationship with the Group (where transactions have taken place during the year, except for control relationships where parties are disclosed irrespective of transactions)

## Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

### 42. Related party disclosures (as per Ind AS 24 - Related Party Disclosures) *Contd.*

| Nature of transaction                                                                                                                                                                                                                                                                                                              | Transaction value |               | Balance outstanding |               |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|---------------|---------------------|---------------|
|                                                                                                                                                                                                                                                                                                                                    | 31 March 2024     | 31 March 2023 | 31 March 2024       | 31 March 2023 |
| <b>B. Transactions with entity having control over the Group</b>                                                                                                                                                                                                                                                                   |                   |               |                     |               |
| Dividends                                                                                                                                                                                                                                                                                                                          | 34.44             | 68.87         | -                   | -             |
|                                                                                                                                                                                                                                                                                                                                    | <b>34.44</b>      | <b>68.87</b>  | <b>-</b>            | <b>-</b>      |
| <b>C. Transactions with entity having significant influence over the Group</b>                                                                                                                                                                                                                                                     |                   |               |                     |               |
| Dividends                                                                                                                                                                                                                                                                                                                          | -                 | 26.63         | -                   | -             |
|                                                                                                                                                                                                                                                                                                                                    | <b>-</b>          | <b>26.63</b>  | <b>-</b>            | <b>-</b>      |
| <b>D. Transactions with key management personnel:</b>                                                                                                                                                                                                                                                                              |                   |               |                     |               |
| Short-term employee benefits (#)                                                                                                                                                                                                                                                                                                   | 74.95             | 62.19         | 18.96               | 16.26         |
| Share based payment expenses                                                                                                                                                                                                                                                                                                       | 1.66              | 1.02          | 2.94                | 1.28          |
| Rent paid                                                                                                                                                                                                                                                                                                                          | 2.18              | 1.67          | 0.30                | 0.30          |
| Director sitting fees                                                                                                                                                                                                                                                                                                              | 4.61              | 3.13          | 0.01                | -             |
| Reimbursement of expenses                                                                                                                                                                                                                                                                                                          | 5.24              | 3.90          | -                   | 1.93          |
| Dividends                                                                                                                                                                                                                                                                                                                          | 13.41             | 21.13         | -                   | 15.38         |
| Advances received                                                                                                                                                                                                                                                                                                                  | 4.97              | 2.41          | 0.40                | 2.07          |
| Advances adjusted towards sale of products                                                                                                                                                                                                                                                                                         | 5.22              | 0.85          | -                   | -             |
| Sale of goods                                                                                                                                                                                                                                                                                                                      | 10.87             | 6.43          | -                   | -             |
| Purchase of goods                                                                                                                                                                                                                                                                                                                  | 0.04              | 0.40          | -                   | -             |
|                                                                                                                                                                                                                                                                                                                                    | <b>123.15</b>     | <b>103.13</b> | <b>22.61</b>        | <b>37.22</b>  |
| (#) Compensation of the key management personnel includes salaries and contribution to post-employment defined benefit plan. It does not include gratuity and leave encashment benefits which are actuarially determined on an overall basis for the Group and individual information in respect of the directors is not available |                   |               |                     |               |
| <b>E. Transactions with key management personnel:</b>                                                                                                                                                                                                                                                                              |                   |               |                     |               |
| Dividends (including amount payable to the legal heir of Late Mr. Sankar Sen)                                                                                                                                                                                                                                                      | -                 | 5.69          | -                   | -             |
| Advance Received                                                                                                                                                                                                                                                                                                                   | 2.10              | 0.08          | 0.35                | 0.01          |
| Sale of goods                                                                                                                                                                                                                                                                                                                      | 3.51              | 2.76          | -                   | -             |
| Purchase of goods                                                                                                                                                                                                                                                                                                                  | 2.09              | 0.72          | -                   | -             |
| Rent paid                                                                                                                                                                                                                                                                                                                          | 1.54              | 1.26          | 0.30                | 0.30          |
| Advances adjusted towards sale of products                                                                                                                                                                                                                                                                                         | 1.75              | 0.07          | -                   | -             |
| Repairs and maintenance                                                                                                                                                                                                                                                                                                            | 0.12              | 0.12          | -                   | 0.00          |
|                                                                                                                                                                                                                                                                                                                                    | <b>11.11</b>      | <b>10.70</b>  | <b>0.65</b>         | <b>0.31</b>   |
| <b>F. Transactions with enterprises controlled by key management personnel or their relatives:</b>                                                                                                                                                                                                                                 |                   |               |                     |               |
| Rent paid                                                                                                                                                                                                                                                                                                                          | 44.48             | 38.73         | 0.97                | 1.21          |
| Maintenance and licensee fee paid                                                                                                                                                                                                                                                                                                  | 14.95             | 12.21         | 11.10               | 8.52          |
| Advance given for rent                                                                                                                                                                                                                                                                                                             | 0.09              | -             | -                   | -             |
| Purchase of goods                                                                                                                                                                                                                                                                                                                  | 31.28             | 29.10         | 0.90                | 1.38          |
| Dividend paid                                                                                                                                                                                                                                                                                                                      | 5.33              | 10.67         | -                   | -             |
| Contribution made towards employee gratuity fund                                                                                                                                                                                                                                                                                   | 17.73             | 13.92         | -                   | -             |
| Contribution made towards CSR                                                                                                                                                                                                                                                                                                      | 32.00             | 26.40         | -                   | -             |
|                                                                                                                                                                                                                                                                                                                                    | <b>145.86</b>     | <b>131.03</b> | <b>12.97</b>        | <b>11.11</b>  |

## Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

### 42. Related party disclosures (as per Ind AS 24 - Related Party Disclosures) *Contd.*

**Note:**

- For personal guarantees given by directors and their relatives, refer note 21.
- There are no material individual transactions that are not in the normal course of business or not on arm's length basis.

43. Deposits received from customers under jewellery purchase schemes includes provision for discount accrued by the Holding Company amounting to Rs. 65.97 millions (31 March 2023: 83.51 millions) as per the terms of the respective schemes against which advance has been received from these customers.

### 44 Operating segments

#### A. Basis for segmentation

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Group's Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance.

The Group is engaged in the business of manufacture and sale of jewellery and other articles of various designs/ specification based on customer's requirements. The Group's manufacturing facilities are located in India and products sold in the domestic and overseas market are manufactured in these facilities. Based on the dominant source and nature of risk and returns of the Group, its internal organisation and management structure and its system of internal financial reporting, business segment has been identified as the primary segment. The Group has only one business segment, viz., sale of jewellery and other articles.

| Particulars                                                                                | 31 March 2024    | 31 March 2023    |
|--------------------------------------------------------------------------------------------|------------------|------------------|
| <b>Revenue from external customers</b>                                                     |                  |                  |
| India (i.e. entity's country of domicile)                                                  | 50,335.36        | 40,075.85        |
| Outside India                                                                              | 2,079.07         | 698.19           |
| <b>Total segment revenue</b>                                                               | <b>52,414.43</b> | <b>40,774.04</b> |
| <b>Non-current assets (other than financial instruments and deferred tax assets)</b>       |                  |                  |
| India (i.e. entity's country of domicile)                                                  | 3,805.96         | 3,303.08         |
| Outside India                                                                              | 53.12            | -                |
| <b>Total non-current assets (other than financial instruments and deferred tax assets)</b> | <b>3,859.08</b>  | <b>3,303.08</b>  |

#### B. Major customer

No single customer contributed 10% or more of the total revenue of the Company for the year ended 31 March 2024 and 31 March 2023

### 45. Contingent liabilities and commitments

| Particulars                                           | As at<br>31 March 2024 | As at<br>31 March 2023 |
|-------------------------------------------------------|------------------------|------------------------|
| (i) Contingent liabilities                            |                        |                        |
| Claims against the Company not acknowledged as debts: |                        |                        |
| - Income-tax demands (also refer note (c) below)      | 147.15                 | 191.62                 |
| - Central excise (also refer note (d) below)          | 124.16                 | 18.65                  |
| - Service tax                                         | 21.58                  | 21.58                  |
| - Goods and Service tax                               | 5.40                   | -                      |
|                                                       | <b>298.29</b>          | <b>231.85</b>          |

**Notes:**

- (a) It is not practicable for the Group to estimate the timings of cash outflows, if any, in respect to the above pending resolution of the respective proceedings.
- (b) The amounts disclosed above represent the best possible estimates arrived at on the basis of available information.

## Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

### 45. Contingent liabilities and commitments *Contd.*

- (c) The above, inter-alia, includes an amount of Rs. 74.56 millions pursuant to a search and seizure operation under section 132 of the Income-tax Act, 1961 (hereinafter in this note referred to as the 'IT Act') conducted by the Income-tax department in November 2017, notices under section 153A and section 142(1) of the IT Act were issued for the assessment years 2011-12 to 2017-18 on the Holding Company and subsequent demands raised by the Deputy Commissioner of Income-tax on the Holding Company for the said assessment years. The Holding Company has filed appeal against the said orders. Further, the Deputy Director of Income-tax (Investigation), Unit - 2(1), Kolkata, has filed a criminal complaint against the Holding Company and some of the Key Management Personnel under section 277A of the IT Act. Based on the facts of the matter and an independent assessment done by the Holding Company, the management remains fairly confident of a favorable outcome and therefore, does not foresee any material financial liability devolving on the Holding Company in this respect of the aforementioned demand/ litigation and accordingly, no provision has been made in these Consolidated Financial Statement.
- (d) The above, inter-alia, includes an amount of Rs. 105.51 million (including penalty amounting Rs. 89.57 million) towards excess CENVAT credit availed in the financial year 2016-17. The Holding Company has filed an appeal against the order before CESTAT (Kolkata). Further, the Holding Company does not foresee any material financial liability devolving on the Holding Company in this respect and accordingly, no provision has been made in these Consolidated Financial Statement.

| Particulars                                                                                                             | As at<br>31 March 2024 | As at<br>31 March 2023 |
|-------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| (ii) Commitments:                                                                                                       |                        |                        |
| Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advance) | 91.28                  | 173.81                 |
|                                                                                                                         | <b>91.28</b>           | <b>173.81</b>          |

### 46. Corporate social responsibility expenses ("CSR"):

As per Section 135 of the Companies Act, 2013, a CSR committee has been formed by the Holding Company. The funds are utilised on the activities which are specified in Schedule VII of the Act. The Holding Company has created a registered trust for purpose of CSR activities as approved by the CSR committee. The utilisation is done by way of contribution to this trust.

- (a) Gross amount as per the limits of Section 135 of the Companies Act, 2013: Rs. 32.25 millions, required to be spent by the Holding Company (31 March 2023: Rs. 26.50 millions)
- (b) Amount approved by the board of holding company to be spent during the year:- Rs. 32.25 million (31 March 2023: Rs. 26.50 million)
- (c) Details of amount spent:

|                                                            | Amount paid  | Amount accrued | Total        |
|------------------------------------------------------------|--------------|----------------|--------------|
| <b>Year ended 31 March 2024:</b>                           |              |                |              |
| Construction/ acquisition of any asset (refer notes below) | -            | -              | -            |
| On purposes other than above                               | 32.25        | -              | 32.25        |
|                                                            | <b>32.25</b> | <b>-</b>       | <b>32.25</b> |

|                                                            | Amount paid  | Amount accrued | Total        |
|------------------------------------------------------------|--------------|----------------|--------------|
| <b>Year ended 31 March 2023:</b>                           |              |                |              |
| Construction/ acquisition of any asset (refer notes below) | -            | -              | -            |
| On purposes other than above                               | 26.50        | -              | 26.50        |
|                                                            | <b>26.50</b> | <b>-</b>       | <b>26.50</b> |

- (d) The Holding Company has made a contribution of Rs. 32.25 millions for the year ended 31 March 2024 (31 March 2023: Rs. 26.50 millions) to a registered trust considered to be a related party as per Indian Accounting Standard (Ind AS) 24, Related Party Disclosures.
- (e) The Holding Company does not have any provision for corporate social responsibility expenses in the current year.

## Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

- (f) The Holding Company does not wish to carry forward any excess amount spent during the year.  
 (g) The Company does not have any ongoing projects as at 31 March 2024 (no ongoing projects as at 31 March 2023).

### 47. Financial instruments – fair values and risk management

#### A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy:

| Particulars                                        | Note | Carrying amount                           |                                                       |           |                       | Fair value |         |         |
|----------------------------------------------------|------|-------------------------------------------|-------------------------------------------------------|-----------|-----------------------|------------|---------|---------|
|                                                    |      | Fair value through profit or loss (FVTPL) | Fair value through Other Comprehensive Income (FVOCI) | Cost      | Total carrying amount | Level 1    | Level 2 | Level 3 |
| <b>As at 31 March 2024</b>                         |      |                                           |                                                       |           |                       |            |         |         |
| <b>Financial assets</b>                            |      |                                           |                                                       |           |                       |            |         |         |
| Investment in equity instruments                   | 10   | -                                         | 1.45                                                  | -         | 1.45                  | -          | -       | 1.45    |
| Other financial assets                             | 11   | -                                         | -                                                     | 1,849.73  | 1,849.73              | -          | -       | -       |
| Trade receivables                                  | 16   | -                                         | -                                                     | 528.68    | 528.68                | -          | -       | -       |
| Cash and cash equivalents                          | 17   | -                                         | -                                                     | 185.16    | 185.16                | -          | -       | -       |
| Bank balances other than cash and cash equivalents | 18   | -                                         | -                                                     | 5,328.46  | 5,328.46              | -          | -       | -       |
|                                                    |      | -                                         | 1.45                                                  | 7,892.03  | 7,893.48              | -          | -       | 1.45    |
| <b>Financial liabilities</b>                       |      |                                           |                                                       |           |                       |            |         |         |
| Borrowings                                         | 21   | 9,066.98                                  | -                                                     | 5,940.26  | 15,007.24             | 9,066.98   | -       | -       |
| Lease liabilities                                  | 22   | -                                         | -                                                     | 2,628.06  | 2,628.06              | -          | -       | -       |
| Other financial liabilities                        | 23   | 447.56                                    | -                                                     | 259.29    | 706.85                | 447.56     | -       | -       |
| Trade payables                                     | 26   | -                                         | -                                                     | 2,068.81  | 2,068.81              | -          | -       | -       |
|                                                    |      | 9,514.54                                  | -                                                     | 10,896.42 | 20,410.96             | 9,514.54   | -       | -       |
| <b>As at 31 March 2023</b>                         |      |                                           |                                                       |           |                       |            |         |         |
| <b>Financial assets</b>                            |      |                                           |                                                       |           |                       |            |         |         |
| Investment in equity instruments                   | 10   | -                                         | 1.27                                                  | -         | 1.27                  | -          | -       | 1.27    |
| Other financial assets                             | 11   | -                                         | -                                                     | 1,272.02  | 1,272.02              | -          | -       | -       |
| Trade receivables                                  | 16   | -                                         | -                                                     | 454.22    | 454.22                | -          | -       | -       |
| Cash and cash equivalents                          | 17   | -                                         | -                                                     | 94.83     | 94.83                 | -          | -       | -       |
| Bank balances other than cash and cash equivalents | 18   | -                                         | -                                                     | 4,280.90  | 4,280.90              | -          | -       | -       |
|                                                    |      | -                                         | 1.27                                                  | 6,101.97  | 6,103.24              | -          | -       | 1.27    |
| <b>Financial liabilities</b>                       |      |                                           |                                                       |           |                       |            |         |         |
| Borrowing                                          | 21   | 6,376.09                                  | -                                                     | 5,437.57  | 11,813.66             | 6,376.09   | -       | -       |
| Lease liabilities                                  | 22   | -                                         | -                                                     | 2,097.53  | 2,097.53              | -          | -       | -       |
| Other financial liabilities                        | 23   | 194.01                                    | -                                                     | 300.24    | 494.25                | 194.01     | -       | -       |
| Trade payables                                     | 26   | -                                         | -                                                     | 1,616.92  | 1,616.92              | -          | -       | -       |
|                                                    |      | 6,570.10                                  | -                                                     | 9,452.26  | 16,022.36             | 6,570.10   | -       | -       |

## Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

### 47. Financial instruments - fair values and risk management *Contd.*

#### B. Measurement of fair values

##### Valuation techniques and significant unobservable inputs

- The fair value of cash and cash equivalents, Bank balances other than cash and cash equivalents, trade receivables, loans, trade payables and other financial assets and liabilities approximate their carrying amount largely due to the short-term nature of these instruments.
- Investments in equity instruments, other than in subsidiary Companies are classified as FVOCI. The carrying cost of unquoted equity instrument has been considered as an appropriate estimate of fair value in the current year. There are no such significant unobservable inputs used for the valuation technique.
- In case of derivatives, the fair value is determined using quoted forward exchange rates at the reporting dates in the respective commodities and currencies. There are no such significant unobservable inputs used for the valuation technique.

#### C. Level 3 fair values - Movement in the values of unquoted equity instruments

The following table shows a reconciliation from the opening balance to the closing balance for Level 3 fair values.

| Particulars                                                | As at<br>31 March 2024 | As at<br>31 March 2023 |
|------------------------------------------------------------|------------------------|------------------------|
| Balance as at the beginning of the year                    | 1.27                   | 0.26                   |
| <b>Fair value gain through Other Comprehensive Income:</b> |                        |                        |
| - Net change in fair value (unrealised)                    | 0.18                   | 1.01                   |
| <b>Balance as at the end of the year</b>                   | <b>1.45</b>            | <b>1.27</b>            |

#### D. Risk management

The Group's principal financial liabilities includes borrowings, trade payable and other financial liabilities. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents and other financial assets that derive directly from its operations.

The Group's activities expose it to credit risk, liquidity risk and market risk. The Group's primary risk management focus is to minimise potential adverse effects of market risk on its financial performance. The Group exposure to credit risk is influenced mainly by the individual characteristic of each customer. The Group's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Group's activities.

##### (i) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and loans given. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to customers, including outstanding accounts receivables. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Group assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

In respect of trade and other receivables, the Group is not exposed to any significant credit risk exposure to any single counterparty or any Group of counterparties having similar characteristics. Trade receivables consist of a large number of customers. The Group has very limited history of customer default, and considers the credit quality of trade receivables that are not past due or impaired to be good.

The credit risk for cash and cash equivalents, bank deposits, loans and financial instruments is considered negligible, since the counterparties are reputable organisations with high quality external credit ratings.

|                     | less than 60<br>days | from 61 to<br>90 days | from 91 to<br>180 days | from 180 to<br>365 days | more than<br>365 days | Total  |
|---------------------|----------------------|-----------------------|------------------------|-------------------------|-----------------------|--------|
| As at 31 March 2024 | 464.62               | 30.22                 | 33.80                  | 0.04                    | 25.57                 | 554.25 |
| As at 31 March 2023 | 281.32               | 37.81                 | 102.80                 | 32.29                   | 25.57                 | 479.79 |

## Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

### 47. Financial instruments - fair values and risk management *Contd.*

#### (ii) Liquidity risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Group finance team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Group liquidity position through rolling forecasts on the basis of expected cash flows.

The Group approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group reputation.

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

| Particulars                             | Contractual cashflows |                  |                  |               |                 |                   |
|-----------------------------------------|-----------------------|------------------|------------------|---------------|-----------------|-------------------|
|                                         | Carrying amount       | Total            | Less than 1 year | 1 - 2 years   | 2 - 5 years     | More than 5 years |
| <b>As on 31 March 2024:</b>             |                       |                  |                  |               |                 |                   |
| Borrowings (including accrued interest) | 15,007.24             | 15,007.24        | 14,996.19        | 3.92          | 7.13            | -                 |
| Lease liabilities                       | 2,628.06              | 4,081.36         | 556.36           | 551.15        | 1,507.71        | 1,466.14          |
| Trade payables                          | 2,068.81              | 2,068.81         | 2,068.81         | -             | -               | -                 |
| Other financial liabilities             | 706.85                | 706.85           | 706.85           | -             | -               | -                 |
|                                         | <b>20,410.96</b>      | <b>21,864.26</b> | <b>18,328.21</b> | <b>555.07</b> | <b>1,514.84</b> | <b>1,466.14</b>   |
| <b>As on 31 March 2023:</b>             |                       |                  |                  |               |                 |                   |
| Borrowings (including accrued interest) | 11,813.66             | 11,813.66        | 11,802.61        | 3.92          | 7.13            | -                 |
| Lease liabilities                       | 2,097.53              | 3,406.41         | 447.00           | 420.95        | 1,200.41        | 1,338.05          |
| Trade payables                          | 1,616.92              | 1,616.92         | 1,616.92         | -             | -               | -                 |
| Other financial liabilities             | 494.25                | 494.25           | 486.16           | 8.09          | -               | -                 |
|                                         | <b>16,022.36</b>      | <b>17,331.24</b> | <b>14,352.69</b> | <b>432.96</b> | <b>1,207.54</b> | <b>1,338.05</b>   |

#### (iii) Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates and interest rates - will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

#### (a) Currency risk

The Group is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the Group's functional currency.

| Particulars                  | Currency            | 31 March 2024 | 31 March 2023 |
|------------------------------|---------------------|---------------|---------------|
| Trade receivables (unhedged) | USD (in millions)   | 4.83          | 2.47          |
|                              | INR                 | 403.09        | 202.94        |
| Trade Payables (unhedged)    | USD (in millions)   | 0.00          | -             |
|                              | Pound (in millions) | 0.01          | -             |
|                              | INR                 | 1.56          | -             |

#### Sensitivity analysis

A reasonably possible strengthening / weakening of the Indian Rupee against US dollars as at the reporting period would have affected the measurement of financial instruments denominated in US dollars and affects profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

## Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

### 47. Financial instruments - fair values and risk management *Contd.*

| Particulars                         | 31 March 2024 |                     | 31 March 2023 |                     |
|-------------------------------------|---------------|---------------------|---------------|---------------------|
|                                     | Profit/(loss) | Equity (net of tax) | Profit/(loss) | Equity (net of tax) |
| INR/USD strengthening [5% movement] | 20.08         | 15.02               | 10.15         | 7.59                |
| INR/USD weakening [5% movement]     | (20.08)       | (15.02)             | (10.15)       | (7.59)              |

#### (b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group exposure to the risk of changes in market interest rates relates primarily to the Group long term and short term borrowing with floating interest rates. The Group constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

The interest rate profile of the Group's interest bearing financial instruments at the end of the reporting period are as follows:

| Particulars                      | 31 March 2024    | 31 March 2023    |
|----------------------------------|------------------|------------------|
| <b>Fixed rate instruments</b>    |                  |                  |
| Financial assets                 | 4,147.75         | 3,417.13         |
| Financial liabilities            | 14.26            | 17.75            |
|                                  | <b>4,162.01</b>  | <b>3,434.88</b>  |
| <b>Variable rate instruments</b> |                  |                  |
| Financial assets                 | -                | -                |
| Financial liabilities            | 14,992.98        | 11,795.91        |
|                                  | <b>14,992.98</b> | <b>11,795.91</b> |

#### Sensitivity analysis

Fixed rate instruments that are carried at amortised cost are not subject to interest rate risk for the purpose of sensitivity analysis.

A reasonably possible change of 100 basis points in variable rate instruments at the reporting dates would have increased or decreased profit or loss by the amounts shown below:

| Particulars                                                   | 31 March 2024 |                     | 31 March 2023 |                     |
|---------------------------------------------------------------|---------------|---------------------|---------------|---------------------|
|                                                               | Profit/(loss) | Equity (net of tax) | Profit/(loss) | Equity (net of tax) |
| Variable rate instruments - increase by 100 basis points (1%) | 149.93        | 112.20              | 117.96        | 88.27               |
| Variable rate instruments - decrease by 100 basis points (1%) | (149.93)      | (112.20)            | (117.96)      | (88.27)             |

The sensitivity analysis above has been determined for borrowings assuming the amount of borrowings outstanding at the end of the reporting period was outstanding for the whole year.

## E. Hedging activity and derivatives

### Fair value hedge of gold price risk in inventory

The Group is exposed to fluctuations in gold price (including fluctuations in foreign currency) arising on purchase/ sale of gold and inventory of gold lying with the Group. To manage the variability in cash flows, the Group enters into derivative financial instruments to manage the risk associated with gold price fluctuations relating to the highly probable forecasted transactions. Such derivative financial instruments are primarily in the nature of future commodity contracts. The risk management strategy against gold price fluctuation also includes procuring gold on loan basis, with a flexibility to fix price of gold at anytime during the tenor of the loan.

The Group designates certain derivatives as hedging instruments in respect of commodity price risk in cash flow hedges and fair value hedges. As the value of the derivative instrument generally changes in response to the value of the hedged item, the economic relationship is established.

## Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

### 47. Financial instruments – fair values and risk management *Contd.*

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments, to ensure that an economic relationship exists between the hedged item and the hedging instrument. The Group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item, and so a qualitative assessment of effectiveness is performed. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Group uses the hypothetical derivative method to assess effectiveness. The Group assesses the effectiveness of its designated hedges by using the same hedge ratio as that resulting from the quantities of the hedged item and the hedging instrument that the Group actually uses.

#### Disclosures of effects of hedge accounting on balance sheet:

| Particulars                                                      | Carrying amount of hedge item |             | Carrying amount of hedging instrument |             | Maturity date                      | Balance sheet classification | Impact of change in fair value relating to the hedged risk (spot) |
|------------------------------------------------------------------|-------------------------------|-------------|---------------------------------------|-------------|------------------------------------|------------------------------|-------------------------------------------------------------------|
|                                                                  | Assets                        | Liabilities | Assets                                | Liabilities |                                    |                              |                                                                   |
| <b>As at 31 March 2024</b>                                       |                               |             |                                       |             |                                    |                              |                                                                   |
| Hedged item - inventory of gold                                  | 19,869.72                     | -           | N.A.                                  | N.A.        | Range - with in six to nine months | Inventories                  | 800.17                                                            |
| Hedging instrument - option to fix gold price (gold metal loans) | N.A.                          | N.A.        | -                                     | 9,066.98    |                                    | Current borrowings           | 800.17                                                            |
| <b>As at 31 March 2023</b>                                       |                               |             |                                       |             |                                    |                              |                                                                   |
| Hedged item - inventory of gold                                  | 15,299.18                     | -           | N.A.                                  | N.A.        | Range - with in six to nine months | Inventories                  | 642.63                                                            |
| Hedging instrument - option to fix gold price (gold metal loans) | N.A.                          | N.A.        | -                                     | 6,376.09    |                                    | Current borrowings           | 642.63                                                            |

### 48. Ratios disclosed as per requirement of Schedule III to the Act

| Particulars                                        | As at<br>31 March 2024 | As at<br>31 March 2023 |
|----------------------------------------------------|------------------------|------------------------|
| <b>(a) Return on equity ratio</b>                  |                        |                        |
| Profit for the year (Numerator)                    | 1,810.04               | 1,584.79               |
| Average shareholders' equity (Denominator)         | 11,555.31              | 8,357.44               |
| <b>Return on equity (%)</b>                        | <b>15.7%</b>           | <b>19.0%</b>           |
| <b>% Change as compared to the preceeding year</b> | <b>(17.39%)</b>        |                        |
| <b>(b) Return on capital employed</b>              |                        |                        |
| Earning before interest and taxes (Numerator)      | 3,576.41               | 3,022.05               |
| Capital employed (Denominator)                     | 28,662.66              | 21,268.86              |
| <b>Return on capital employed (pre tax)</b>        | <b>12.48%</b>          | <b>14.21%</b>          |
| <b>% Change as compared to the preceeding year</b> | <b>(12.18%)</b>        |                        |
| <b>(c) Current ratio</b>                           |                        |                        |
| [Current assets / Current liabilities]             |                        |                        |
| Current assets (Numerator)                         | 32,833.73              | 25,010.02              |
| Current liabilities (Denominator)                  | 21,115.48              | 17,442.01              |
| <b>Current ratio (times)</b>                       | <b>1.55</b>            | <b>1.43</b>            |
| <b>% Change as compared to the preceeding year</b> | <b>8.44%</b>           |                        |

## Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

### 48. Ratios disclosed as per requirement of Schedule III to the Act *Contd.*

| Particulars                                                                                                          | As at<br>31 March 2024 | As at<br>31 March 2023 |
|----------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| <b>(d) Debt-equity ratio</b> [Total debt / Shareholder's equity]                                                     |                        |                        |
| Total debt (Numerator)                                                                                               | 15,007.24              | 11,813.66              |
| Shareholder's equity (Denominator)                                                                                   | 13,655.42              | 9,455.20               |
| <b>Debt-equity ratio (times)</b>                                                                                     | <b>1.10</b>            | <b>1.25</b>            |
| <b>% Change as compared to the preceeding year</b>                                                                   | <b>(12.04%)</b>        |                        |
| <b>(e) Debt Service Coverage ratio</b><br>[Earnings available for Debt Service / Debt Service]                       |                        |                        |
| Earnings available for Debt Service (Numerator)                                                                      | 3,492.16               | 2,916.41               |
| Debt Service (Denominator)                                                                                           | 1,106.60               | 804.19                 |
| <b>Debt-equity ratio (times)</b>                                                                                     | <b>3.16</b>            | <b>3.63</b>            |
| <b>% Change as compared to the preceeding year</b>                                                                   | <b>(12.98%)</b>        |                        |
| <b>(f) Inventory turnover ratio</b><br>[Average Inventory = (Opening balance + Closing balance) / 2]                 |                        |                        |
| Sales for the year (Numerator)                                                                                       | 52,414.43              | 40,774.04              |
| Average inventory (Denominator)                                                                                      | 21,712.38              | 16,383.51              |
| <b>Inventory turnover ratio (times)</b>                                                                              | <b>2.41</b>            | <b>2.49</b>            |
| <b>% Change as compared to the preceeding year</b>                                                                   | <b>(3.00%)</b>         |                        |
| <b>(g) Trade receivables turnover ratio</b><br>[Average trade receivables = (Opening balance + Closing balance) / 2] |                        |                        |
| Revenue from operations (Numerator)                                                                                  | 52,414.43              | 40,774.04              |
| Average trade receivable (Denominator)                                                                               | 491.45                 | 424.10                 |
| <b>Trade receivables turnover ratio (times)</b>                                                                      | <b>106.65</b>          | <b>96.14</b>           |
| <b>% Change as compared to the preceeding year</b>                                                                   | <b>10.93%</b>          |                        |
| <b>(h) Trade payables turnover ratio</b><br>[Average trade payables = (Opening balance + Closing balance) / 2]       |                        |                        |
| Purchase of raw materials and stock-in-trade (Numerator)                                                             | 50,116.15              | 39,161.46              |
| Average trade payables (Denominator)                                                                                 | 1,842.87               | 1,395.58               |
| <b>Trade payables turnover ratio (times)</b>                                                                         | <b>27.19</b>           | <b>28.06</b>           |
| <b>% Change as compared to the preceeding year</b>                                                                   | <b>(3.09%)</b>         |                        |
| <b>(i) Net capital turnover ratio</b><br>[Working capital is calculated as current assets (-) current liabilities]   |                        |                        |
| Revenue from operations (Numerator)                                                                                  | 52,414.43              | 40,774.04              |
| Working capital (Denominator)                                                                                        | 11,718.25              | 7,568.01               |
| <b>Net capital turnover ratio (times)</b>                                                                            | <b>4.47</b>            | <b>5.39</b>            |
| <b>% Change as compared to the preceeding year</b>                                                                   | <b>(16.98%)</b>        |                        |
| <b>(j) Net profit ratio</b>                                                                                          |                        |                        |
| Profit for the year (Numerator)                                                                                      | 1,810.04               | 1,584.79               |
| Revenue from operations (Denominator)                                                                                | 52,414.43              | 40,774.04              |
| <b>Net profit ratio</b>                                                                                              | <b>3.45%</b>           | <b>3.89%</b>           |
| <b>% Change as compared to the preceeding year</b>                                                                   | <b>(11.15%)</b>        |                        |

**Note:**

- Since the change in ratio is not more than 25%, requirement to furnish explanations is not applicable per stipulation mentioned in schedule III to the Act.
- Holding Company has investments only in the equity shares of its subsidiary and there are no dividends or other returns from the subsidiary for the current year and previous years hence disclosure of Return on investments ratio is not applicable to the Group.

## Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

### 49. The utilisation of the Company's initial public offer (IPO) proceeds has been summarised below:

(Rs. in millions)

| Objects of the issue as per Prospectus              | Utilisation planned as per the Prospectus | Utilisation upto 31 March 2024 | Unutilised amount as on 31 March 2024 |
|-----------------------------------------------------|-------------------------------------------|--------------------------------|---------------------------------------|
| Funding working capital requirements of the Company | 1,960.00                                  | 1960.00                        | -                                     |
| General corporate purpose                           | 475.11                                    | 475.11                         | -                                     |
| <b>Net Utilisation</b>                              | <b>2,435.11</b>                           | <b>2435.11</b>                 | <b>-</b>                              |

### 50. Capital management

The Group's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investors, creditors and market confidence and to sustain future development and growth of its business. In order to maintain the capital structure, the Group monitors the return on capital, as well as the level of dividends to equity shareholders. The Group aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to all its shareholders. The Group is not subject to externally imposed capital requirements. For the purpose of the Group's capital management, capital includes issued equity share capital, instruments entirely equity in nature and all other equity reserves attributable to the equity holders and debt includes borrowings and lease liabilities.

The Company monitors capital on the basis of the following gearing ratio.

| Particulars                            | As at<br>31 March 2024 | As at<br>31 March 2023 |
|----------------------------------------|------------------------|------------------------|
| Total debt (Bank and other borrowings) | 15,007.24              | 11,813.66              |
| Equity (including other equity)        | 13,655.42              | 9,455.20               |
| Debt to equity ratio                   | 1.1:1                  | 1.25:1                 |

### 51. Details related to borrowings secured against current assets

The Company has given current assets as security for borrowings obtained from banks. The Company duly submitted the required information with the banks on regular basis and the required reconciliation is presented below:

| Quarter ended                           | Particulars         | Amount as per books of accounts | Amount as reported in the quarterly return / statement | Amount of difference | Reason for variations |
|-----------------------------------------|---------------------|---------------------------------|--------------------------------------------------------|----------------------|-----------------------|
| <b>For the year ended 31 March 2024</b> |                     |                                 |                                                        |                      |                       |
| 31 March 2024                           | - Trade receivables | 644.38                          | 653.04                                                 | (8.66)               | Refer note (a) below. |
|                                         | - Inventories       | 24,502.84                       | 24,487.98                                              | 12.64                | Refer note (a) below. |
| 31 December 2023                        | - Trade receivables | 608.41                          | 608.40                                                 | 0.01                 | Refer note (a) below. |
|                                         | - Inventories       | 22,680.20                       | 22,680.20                                              | -                    |                       |
| 30 September 2023                       | - Trade receivables | 670.14                          | 670.10                                                 | 0.04                 | Refer note (a) below. |
|                                         | - Inventories       | 20,503.80                       | 20,503.80                                              | -                    |                       |
| 30 June 2023                            | - Trade receivables | 554.23                          | 554.20                                                 | 0.03                 | Refer note (a) below. |
|                                         | - Inventories       | 18,203.36                       | 18,203.40                                              | (0.04)               | Refer note (a) below. |
| <b>For the year ended 31 March 2023</b> |                     |                                 |                                                        |                      |                       |
| 31 March 2023                           | - Trade receivables | 454.39                          | 456.80                                                 | (2.58)               | Refer note (a) below. |
|                                         | - Inventories       | 18,777.73                       | 18,777.70                                              | 0.03                 | Refer note (a) below. |
| 31 December 2022                        | - Trade receivables | 504.86                          | 504.70                                                 | 0.16                 | Refer note (a) below. |
|                                         | - Inventories       | 17,430.20                       | 17,202.90                                              | 227.30               | Refer note (b) below. |
| 30 September 2022                       | - Trade receivables | 540.54                          | 541.50                                                 | (0.96)               | Refer note (a) below. |
|                                         | - Inventories       | 17,165.67                       | 17,308.20                                              | (142.53)             | Refer note (b) below. |
| 30 June 2022                            | - Trade receivables | 649.04                          | 641.00                                                 | 8.04                 | Refer note (a) below. |
|                                         | - Inventories       | 15,046.73                       | 15,069.20                                              | (22.47)              | Refer note (b) below. |

## Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

### Notes:

- No significant variation.
- Variation is owing to the adjustment of purchase difference on the unfixed gold metal loans recorded on an estimated basis (and not actual basis) and manual adjustment of inventory lying with karigars done while submitting the quarterly statements to the banks.

### 52. Additional information as required by paragraph 2 of the general instructions for preparation of the consolidated financial statements as per Schedule III of the Act:

| Name of the Company                                         | Net assets (total assets minus total liabilities) |                  | Share in profit or (loss) |                 | Share in other comprehensive income ('OCI') |                | Share in total comprehensive income  |                 |
|-------------------------------------------------------------|---------------------------------------------------|------------------|---------------------------|-----------------|---------------------------------------------|----------------|--------------------------------------|-----------------|
|                                                             | As a % of net assets                              | Amount           | As a % of profit or loss  | Amount          | As a % of OCI                               | Amount         | As a % of total comprehensive income | Amount          |
| <b>As at 31 March 2024</b>                                  |                                                   |                  |                           |                 |                                             |                |                                      |                 |
| Senco Gold Limited (Holding Company)                        | 101%                                              | 13,770.08        | 104%                      | 1,887.50        | 90%                                         | (18.55)        | 104%                                 | 1,868.95        |
| Senco Gold Artisanship Private Limited (Subsidiary company) | 0%                                                | 14.00            | (1%)                      | (16.12)         | 1%                                          | (0.20)         | (1%)                                 | (16.32)         |
| Senco Global Jewellery Trading LLC (Subsidiary company)     | 0%                                                | 30.09            | (2%)                      | (36.46)         | 7%                                          | (1.53)         | (2%)                                 | (37.99)         |
| Less: Eliminations                                          | (1%)                                              | (158.75)         | (1%)                      | (24.88)         | 2%                                          | (0.31)         | (1%)                                 | (25.19)         |
| <b>Total</b>                                                |                                                   | <b>13,655.42</b> |                           | <b>1,810.04</b> |                                             | <b>(20.59)</b> |                                      | <b>1,789.45</b> |
| <b>As at 31 March 2023</b>                                  |                                                   |                  |                           |                 |                                             |                |                                      |                 |
| Senco Gold Limited (Holding Company)                        | 100%                                              | 9,490.49         | 102%                      | 1,609.26        | 101%                                        | (4.50)         | 102%                                 | 1,604.76        |
| Senco Gold Artisanship Private Limited (Subsidiary company) | 0%                                                | 4.75             | (2%)                      | (24.45)         | (1%)                                        | 0.05           | (2%)                                 | (24.40)         |
| Less: Eliminations                                          | 0%                                                | (40.04)          | 0%                        | (0.02)          | 0%                                          | -              | 0%                                   | (0.02)          |
| <b>Total</b>                                                |                                                   | <b>9,455.20</b>  |                           | <b>1,584.79</b> |                                             | <b>(4.45)</b>  |                                      | <b>1,580.34</b> |

### 53. Audit trail:

The Ministry of Corporate Affairs (MCA) has prescribed a new requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules, 2021 requiring companies, which use accounting software for maintaining its books of account, to use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The Holding Company and its subsidiary incorporated in India, in respect of financial year commencing on 1 April 2023, have used an accounting software operated by a third-party software service provider for maintaining its books of account which has a feature of recording audit trail (edit log) facility. Further, the database of the said accounting software is operated by a third-party software service provider and the availability of audit trail (edit log) are not covered in the 'Independent Service Auditor's Assurance Report on the Description of Controls, their Design and Operating Effectiveness' ('Type 2 report' issued in accordance with ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information) at the database level. However, at application level the audit trail (edit log) are enabled and operated throughout the year.

### 54. Other statutory information

- The Group does not have any Benami property, where any proceeding have been initiated or pending against them for holding any Benami property.
- The Group does not have any charge or satisfaction of charge, which is yet to be registered with Registrar of Companies beyond the statutory period.

## Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

- (iii) The Group has not traded or invested in crypto-currency or virtual currency during the financial year.
- (iv) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:
  - a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries); or
  - b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (v) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
  - a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or
  - b. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vi) The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income-tax Act, 1961).
- (vii) The Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (viii) The Group has not entered into any scheme of arrangement which has an accounting impact on the current or previous financial year.
- (ix) The Company does not have any balances with companies struck off under section 248 of Companies Act, 2013.

### 55. Code of Social Security, 2020

The Code of Social Security, 2020 ('Code') relating to employee benefits during employment and post employment received Presidential assent in September 2020. Subsequently, the Ministry of Labour and Employment had released the draft rules on the aforementioned Code. However, the same is yet to be notified. The Group will evaluate the impact (if any) and make necessary adjustments to the Consolidated Financial Statements in the period when the Code will come into effect.

56. Figures for the previous period have been regrouped/ reclassified wherever necessary to conform to current year's classification. The impact of such reclassification/ regrouping is not material to these financial statements.

This is the notes to the consolidated financial statements including a summary of material accounting policies and other explanatory information referred to in our report of even date.

For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm's Registration Number: 001076N/N500013

For and on behalf of the Board of Directors of  
**Senco Gold Limited**

**Rajni Mundra**  
Partner  
Membership No.: 058644  
Place: Kolkata  
Date: 23 May 2024

**Suvankar Sen**  
Managing Director  
and Chief Executive Officer  
DIN: 01178803  
Place: Kolkata  
Date: 23 May 2024

**Ranjana Sen**  
Director  
DIN: 01226337  
Place: Kolkata  
Date: 23 May 2024

**Surendra Gupta**  
Company Secretary  
and Compliance Officer  
Membership No.: A20666  
Place: Kolkata  
Date: 23 May 2024

**Sanjay Banka**  
Chief Financial Officer  
Place: Kolkata  
Date: 23 May 2024

# Independent Auditor's Report

To the  
**Members of Senco Gold Limited**

## Report on the Audit of the Consolidated Financial Statements

### Opinion

1. We have audited the accompanying consolidated financial statements of Senco Gold limited ('the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group'), as listed in Annexure A, which comprise the Consolidated Balance Sheet as at 31 March 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group as at 31 March 2023, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements Section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules thereunder,

and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Information other than the Consolidated Financial Statements and Auditor's Report thereon

4. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Directors' report but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

The Directors' Report is not made available to us at the date of this auditor's report. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

5. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS specified under Section 133 of the Act read with the Companies (Indian Accounting

Standards) Rules, 2015, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

6. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
7. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

8. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
9. As part of an audit in accordance with Standards on Auditing specified under Section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls;
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
  - Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern; and
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
  - Obtain sufficient appropriate audit evidence regarding the financial information/financial statements of the entities or business activities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors.

10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## Report on Other Legal and Regulatory Requirements

11. As required by Section 197(16) of the Act based on our audit, we report that the Holding Company whose financial statements have been audited under the Act have paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V to the Act. Further, we report that its one subsidiary company incorporated in India whose financial statements have been audited under the Act has not paid

or provided for any managerial remuneration during the year. Accordingly, reporting under Section 197(16) of the Act is not applicable in respect of such subsidiary company.

12. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act based on the consideration of the Order reports issued till date by us, of companies included in the consolidated financial statements for the year ended 31 March 2023 and covered under the Act we report that:

A) Following are the qualifications/adverse remarks reported by us in the Order reports of the companies included in the consolidated financial statements for the year ended 31 March 2023 for which such Order reports have been issued till date:

| Sl No | Name               | CIN                   | Holding Company/ subsidiary Company | Clause number of the CARO report which is qualified or adverse |
|-------|--------------------|-----------------------|-------------------------------------|----------------------------------------------------------------|
| 1     | Senco Gold Limited | U36911WB1994PLC064637 | Holding Company                     | 3 (i) (c)                                                      |
| 2     | Senco Gold Limited | U36911WB1994PLC064637 | Holding Company                     | 3 (vii) (a)                                                    |

13. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable, that:

- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;
- The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;
- On the basis of the written representations received from the directors of the Holding Company, and its subsidiary company and taken on record by the Board of Directors of the Holding Company, and its subsidiary company respectively covered under the Act, none of the directors of the Group,

are disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act;

- With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure B' wherein we have expressed an unmodified opinion; and
- With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
  - The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, as detailed in note 45 to the consolidated financial statements;
  - The Holding Company and its subsidiary company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2023;

- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary company covered under the Act, during the year ended 31 March 2023;
- iv. a. The respective managements of the Holding Company and its subsidiary companies, incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, as disclosed in note 53 (iv) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiary company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or such subsidiary company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b. The respective managements of the Holding Company and its subsidiary company, incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, as disclosed in the note 53 (v) to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiary company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or such subsidiary company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c. Based on such audit procedures performed by us, as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. The subsidiary company has not declared or paid any dividend during the year ended 31 March 2023.
- The interim dividend declared and paid by the Holding during the year ended 31 March 2023 and until the date of this audit report is in compliance with Section 123 of the Act.
- Further, the final dividend paid by the Company during the year ended 31 March 2023 in respect of such dividend declared for the previous year is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Rajni Mundra**

Partner

Place: Mumbai

Date: 16 May 2023

Membership No.: 058644

UDIN: 23058644BGXZOF9653

## Annexure A to the Independent Auditor's Report to the members of Senco Gold Limited on the Audit of the Consolidated Financial Statements for the year ended 31 March 2023

### Annexure A

Name of the subsidiary included in the consolidated financial statements:

| Name of the entity                     | Relationship                                 |
|----------------------------------------|----------------------------------------------|
| Senco Gold Artisanship Private Limited | Subsidiary (incorporated on 14 October 2020) |

## Annexure B Independent Auditor's Report on the internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of Senco Gold Limited ('the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group'), as at and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company, which are companies covered under the Act, as at that date.

### Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its subsidiary company, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the respective entities considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company, as aforesaid.

### Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management

override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

8. In our opinion, the Holding Company and its subsidiary company, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2023, based on the internal financial control with reference to financial statement criteria established by the respective entities considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Rajni Mundra**

Partner

Place: Mumbai

Date: 16 May 2023

Membership No.: 058644

UDIN: 23058644BGXZOF9653

## Consolidated Balance Sheet as at 31 March 2023

(Amount in ₹ millions, except otherwise stated)

| Particulars                                                                                | Note | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|--------------------------------------------------------------------------------------------|------|-------------------------|-------------------------|
| <b>ASSETS</b>                                                                              |      |                         |                         |
| <b>(1) Non-current assets</b>                                                              |      |                         |                         |
| (a) Property, plant and equipment                                                          | 5    | 847.02                  | 691.00                  |
| (b) Capital work-in-progress                                                               | 6    | 130.64                  | 65.14                   |
| (c) Right-of-use assets                                                                    | 7    | 1,926.70                | 1,516.20                |
| (d) Intangible assets                                                                      | 8    | 22.95                   | 24.59                   |
| (e) Financial assets                                                                       |      |                         |                         |
| (i) Investments                                                                            | 9    | 1.27                    | 0.26                    |
| (ii) Other financial assets                                                                | 10   | 559.42                  | 166.52                  |
| (f) Deferred tax assets (net)                                                              | 11   | 179.40                  | 141.27                  |
| (g) Income-tax assets (net)                                                                | 12   | 184.87                  | 180.36                  |
| (h) Other non-current assets                                                               | 13   | 190.90                  | 202.79                  |
| <b>Total non-current assets</b>                                                            |      | <b>4,043.17</b>         | <b>2,988.13</b>         |
| <b>(2) Current assets</b>                                                                  |      |                         |                         |
| (a) Inventories                                                                            | 14   | 18,854.57               | 13,912.45               |
| (b) Financial assets                                                                       |      |                         |                         |
| (i) Trade receivables                                                                      | 15   | 454.22                  | 393.98                  |
| (ii) Cash and cash equivalents                                                             | 16   | 94.83                   | 95.44                   |
| (iii) Bank balances other than cash and cash equivalents                                   | 17   | 4,280.90                | 2,692.69                |
| (iv) Other financial assets                                                                | 10   | 712.60                  | 588.66                  |
| (c) Other current assets                                                                   | 13   | 612.90                  | 330.50                  |
| <b>Total current assets</b>                                                                |      | <b>25,010.02</b>        | <b>18,013.72</b>        |
| <b>TOTAL ASSETS</b>                                                                        |      | <b>29,053.19</b>        | <b>21,001.85</b>        |
| <b>EQUITY AND LIABILITIES</b>                                                              |      |                         |                         |
| <b>Equity</b>                                                                              |      |                         |                         |
| (a) Equity share capital                                                                   | 18   | 558.50                  | 531.86                  |
| (b) Instruments entirely equity in nature                                                  | 18   | 132.96                  | 132.96                  |
| (c) Other equity                                                                           | 19   | 8,763.74                | 6,594.85                |
| <b>Total equity</b>                                                                        |      | <b>9,455.20</b>         | <b>7,259.67</b>         |
| <b>Liabilities</b>                                                                         |      |                         |                         |
| <b>(1) Non-current liabilities</b>                                                         |      |                         |                         |
| (a) Financial liabilities                                                                  |      |                         |                         |
| (i) Borrowings                                                                             | 20   | 14.26                   | 3.95                    |
| (ii) Lease liabilities                                                                     | 21   | 1,884.02                | 1,451.03                |
| (iii) Other financial liabilities                                                          | 22   | 6.19                    | 8.38                    |
| (b) Provisions                                                                             | 23   | 6.32                    | 0.73                    |
| (c) Other non-current liabilities                                                          | 24   | 245.19                  | 0.12                    |
| <b>Total non-current liabilities</b>                                                       |      | <b>2,155.98</b>         | <b>1,464.21</b>         |
| <b>(2) Current liabilities</b>                                                             |      |                         |                         |
| (a) Financial liabilities                                                                  |      |                         |                         |
| (i) Borrowings                                                                             | 20   | 11,757.48               | 8,625.72                |
| (ii) Lease liabilities                                                                     | 21   | 213.51                  | 178.61                  |
| (iii) Trade payables                                                                       | 25   |                         |                         |
| (a) total outstanding dues of micro enterprises and small enterprises                      |      | 197.54                  | 124.59                  |
| (b) total outstanding dues of creditors other than micro enterprises and small enterprises |      | 1,247.05                | 1,049.64                |
| (iv) Other financial liabilities                                                           | 22   | 702.31                  | 335.69                  |
| (b) Other current liabilities                                                              | 24   | 3,148.87                | 1,812.25                |
| (c) Provisions                                                                             | 23   | 20.20                   | 12.96                   |
| (d) Current tax liabilities (net)                                                          | 26   | 155.05                  | 138.51                  |
| <b>Total current liabilities</b>                                                           |      | <b>17,442.01</b>        | <b>12,277.97</b>        |
| <b>Total liabilities</b>                                                                   |      | <b>19,597.99</b>        | <b>13,742.18</b>        |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                                        |      | <b>29,053.19</b>        | <b>21,001.85</b>        |

The accompanying notes to the consolidated financial statements including a summary of significant accounting policies and explanatory information are an integral part of these consolidated financial statements.

This is the Consolidated Balance Sheet referred to in our report of even date.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration Number: 001076N/N500013

**Rajni Mundra**

Partner

Membership No.: 058644

**Place:** Mumbai

**Date:** 16 May 2023

For and on behalf of the Board of Directors of

**Senco Gold Limited**

**Suvankar Sen**

Managing Director and

Chief Executive Officer

DIN: 01178803

**Place:** Mumbai

**Date:** 16 May 2023

**Surendra Gupta**

Company Secretary and

Compliance Officer

Membership No.: A20666

**Place:** Kolkata

**Date:** 16 May 2023

**Ranjana Sen**

Director

DIN: 01226337

**Place:** Kolkata

**Date:** 16 May 2023

**Sanjay Banka**

Chief Financial Officer

**Place:** Mumbai

**Date:** 16 May 2023

# Consolidated Statement of Profit and Loss for the year ended 31 March 2023

(Amount in ₹ millions, except otherwise stated)

| Particulars                                                                                             | Note | Year ended<br>March 31, 2023 | Year ended<br>March 31, 2022 |
|---------------------------------------------------------------------------------------------------------|------|------------------------------|------------------------------|
| <b>Income</b>                                                                                           |      |                              |                              |
| I. Revenue from operations                                                                              | 27   | 40,774.04                    | 35,346.41                    |
| II. Other income                                                                                        | 28   | 311.36                       | 127.69                       |
| III. <b>Total income (I + II)</b>                                                                       |      | <b>41,085.40</b>             | <b>35,474.10</b>             |
| <b>IV. Expenses</b>                                                                                     |      |                              |                              |
| Cost of materials consumed                                                                              | 29   | 29,722.19                    | 28,335.51                    |
| Purchases of stock-in-trade                                                                             | 30   | 8,460.78                     | 5,643.80                     |
| Changes in inventories of finished goods and stock-in-trade                                             | 31   | (3,963.63)                   | (4,173.91)                   |
| Employee benefits expense                                                                               | 32   | 933.80                       | 747.67                       |
| Finance costs                                                                                           | 33   | 860.53                       | 708.79                       |
| Depreciation and amortisation expenses                                                                  | 34   | 455.53                       | 421.15                       |
| Other expenses                                                                                          | 35   | 2,454.68                     | 2,021.50                     |
| <b>Total expenses (IV)</b>                                                                              |      | <b>38,923.88</b>             | <b>33,704.51</b>             |
| V. <b>Profit before tax (III - IV)</b>                                                                  |      | <b>2,161.52</b>              | <b>1,769.59</b>              |
| VI. <b>Tax expenses</b>                                                                                 | 36   |                              |                              |
| Current tax:                                                                                            |      |                              |                              |
| - Current year                                                                                          |      | 634.74                       | 494.94                       |
| - Earlier years                                                                                         |      | (21.38)                      | 0.57                         |
| Deferred tax                                                                                            |      | (36.63)                      | (16.94)                      |
| <b>Total tax expenses (VI)</b>                                                                          |      | <b>576.73</b>                | <b>478.57</b>                |
| VII. <b>Profit after tax for the year (V - VI)</b>                                                      |      | <b>1,584.79</b>              | <b>1,291.02</b>              |
| VIII. <b>Other comprehensive income</b>                                                                 |      |                              |                              |
| <b>Items that will not be reclassified to profit or loss:</b>                                           |      |                              |                              |
| (a) Remeasurement (loss)/ gain of defined benefit plans                                                 |      | (6.96)                       | 5.21                         |
| - Income-tax relating to above item                                                                     |      | 1.75                         | (1.31)                       |
| (b) Remeasurement gain on fair valuation of equity shares                                               |      | 1.01                         | -                            |
| - Income-tax relating to above item                                                                     |      | (0.25)                       | -                            |
| <b>Items that will be reclassified to profit or loss:</b>                                               |      |                              |                              |
| (a) Effective portion of gain/ (loss) on designated portion of hedging instruments in a cash flow hedge |      | -                            | 5.60                         |
| - Income-tax relating to above item                                                                     |      | -                            | (1.41)                       |
| <b>Other comprehensive income for the year (VIII)</b>                                                   |      | <b>(4.45)</b>                | <b>8.09</b>                  |
| IX. <b>Total comprehensive income for the year (VII + VIII)</b>                                         |      | <b>1,580.34</b>              | <b>1,299.11</b>              |
| X. <b>Profit for the year attributed to:</b>                                                            |      |                              |                              |
| - Owners of the Holding Company                                                                         |      | 1,584.79                     | 1,291.02                     |
| - Non controlling interest                                                                              |      | -                            | -                            |
|                                                                                                         |      | <b>1,584.79</b>              | <b>1,291.02</b>              |
| <b>Other comprehensive income for the year attributed to:</b>                                           |      |                              |                              |
| - Owners of the Holding Company                                                                         |      | (4.45)                       | 8.09                         |
| - Non controlling interest                                                                              |      | -                            | -                            |
|                                                                                                         |      | <b>(4.45)</b>                | <b>8.09</b>                  |
| <b>Total comprehensive income for the year attributed to:</b>                                           |      |                              |                              |
| - Owners of the Holding Company                                                                         |      | 1,580.34                     | 1,299.11                     |
| - Non controlling interest                                                                              |      | -                            | -                            |
|                                                                                                         |      | <b>1,580.34</b>              | <b>1,299.11</b>              |
| XI. <b>Earnings per equity share (Nominal value per share ₹10 each)</b>                                 |      |                              |                              |
| (a) Basic (₹)                                                                                           | 37   | 22.93                        | 19.42                        |
| (b) Diluted (₹)                                                                                         | 37   | 22.87                        | 19.37                        |

The accompanying notes to the consolidated financial statements including a summary of significant accounting policies and explanatory information are an integral part of these consolidated financial statements.

This is the Consolidated Statement of Profit and Loss referred to in our report of even date.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration Number: 001076N/N500013

**Rajni Mundra**

Partner

Membership No.: 058644

**Place:** Mumbai

**Date:** 16 May 2023

For and on behalf of the Board of Directors of

**Senco Gold Limited**

**Suvankar Sen**

Managing Director and

Chief Executive Officer

DIN: 01178803

**Place:** Mumbai

**Date:** 16 May 2023

**Surendra Gupta**

Company Secretary and

Compliance Officer

Membership No.: A20666

**Place:** Kolkata

**Date:** 16 May 2023

**Ranjana Sen**

Director

DIN: 01226337

**Place:** Kolkata

**Date:** 16 May 2023

**Sanjay Banka**

Chief Financial Officer

**Place:** Mumbai

**Date:** 16 May 2023

## Consolidated Statement of Cash Flow for the year ended 31 March 2023

(Amount in ₹ millions, except otherwise stated)

| Particulars                                                                                             | Year ended<br>March 31, 2023 | Year ended<br>March 31, 2022 |
|---------------------------------------------------------------------------------------------------------|------------------------------|------------------------------|
| <b>A Cash flows from operating activities</b>                                                           |                              |                              |
| Profit before tax                                                                                       | 2,161.52                     | 1,769.59                     |
| Adjustments for:                                                                                        |                              |                              |
| Depreciation and amortisation expenses                                                                  | 455.53                       | 421.15                       |
| Assets written off                                                                                      | 3.54                         | -                            |
| Loss on sale of property, plant and equipment                                                           | -                            | -                            |
| Finance costs                                                                                           | 860.53                       | 708.79                       |
| Share based payment expense                                                                             | 3.51                         | 0.86                         |
| Unrealised foreign exchange (gain)/loss                                                                 | (2.71)                       | (0.92)                       |
| Liabilities no longer required written back                                                             | (18.35)                      | (14.11)                      |
| Gain on lease modification                                                                              | (13.05)                      | -                            |
| Allowance for expected credit loss                                                                      | 2.45                         | (2.44)                       |
| Bad debts written off                                                                                   | 1.00                         | -                            |
| Impact for straight-lining of rental expenses                                                           | -                            | -                            |
| Security deposits written off                                                                           | 12.11                        | -                            |
| Interest income                                                                                         | (164.45)                     | (71.50)                      |
| <b>Operating profit before working capital changes and other adjustments</b>                            | <b>3,301.63</b>              | <b>2,811.42</b>              |
| <b>(Increase) / decrease in assets:</b>                                                                 |                              |                              |
| Inventories                                                                                             | (4,942.12)                   | (3,519.02)                   |
| Trade receivables                                                                                       | (60.98)                      | (115.03)                     |
| Other financial assets                                                                                  | (283.50)                     | (51.14)                      |
| Other assets                                                                                            | (316.07)                     | (143.65)                     |
| <b>Increase / (decrease) in liabilities:</b>                                                            |                              |                              |
| Trade payables                                                                                          | 270.36                       | 564.88                       |
| Other financial liabilities                                                                             | 269.31                       | 166.00                       |
| Provisions                                                                                              | 5.87                         | (12.20)                      |
| Other liabilities                                                                                       | 1,586.21                     | (12.49)                      |
| Cash (used in) / generated from operating activities                                                    | <b>(169.29)</b>              | <b>(311.23)</b>              |
| Income-taxes paid (net of refunds)                                                                      | (591.74)                     | (387.63)                     |
| Net cash (used in) / generated from operating activities                                                | <b>(761.03)</b>              | <b>(698.86)</b>              |
| <b>B Cash flows from investing activities</b>                                                           |                              |                              |
| Acquisition of property, plant and equipment (including capital work-in-progress) and intangible assets | (311.09)                     | (246.91)                     |
| Proceeds from disposal of property, plant and equipment                                                 | -                            | -                            |
| Interest received                                                                                       | 126.63                       | 59.78                        |
| Deposits made during the year                                                                           | (1,905.59)                   | (854.50)                     |
| Bank balances other than cash and cash equivalents                                                      | 109.75                       | (529.31)                     |
| <b>Net cash used in investing activities</b>                                                            | <b>(1,980.30)</b>            | <b>(1,570.94)</b>            |
| <b>C Cash flows from financing activities</b>                                                           |                              |                              |
| Proceeds from issue of equity shares                                                                    | 750.00                       | -                            |
| Dividends paid for current year                                                                         | (114.24)                     | (54.72)                      |
| Dividends paid for earlier year                                                                         | -                            | (92.76)                      |
| Proceeds from long term borrowings                                                                      | 19.60                        | -                            |
| Repayment of long-term borrowings                                                                       | (7.05)                       | (2.80)                       |
| Proceeds / (repayment) of others borrowings (net)                                                       | 3,129.52                     | 3,308.03                     |
| Repayment of lease liabilities                                                                          | (204.32)                     | (173.18)                     |
| Interest paid                                                                                           | (832.79)                     | (704.46)                     |
| <b>Net cash generated from / (used in) financing activities</b>                                         | <b>2,740.72</b>              | <b>2,280.11</b>              |
| <b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>                                   | <b>(0.61)</b>                | <b>10.31</b>                 |
| <b>Cash and cash equivalents at the beginning of the year (refer note 16)</b>                           | <b>95.44</b>                 | <b>85.13</b>                 |
| <b>Cash and cash equivalents at the end of the year (refer note 16)</b>                                 | <b>94.83</b>                 | <b>95.44</b>                 |

## Consolidated Statement of Cash Flow for the year ended 31 March 2023

(Amount in ₹ millions, except otherwise stated)

(a) The above Statement of Cash Flows has been prepared under the “Indirect Method” as set out in the Ind-AS 7 ‘Statements of Cash Flows’.

(b) Reconciliation of liabilities from financing activities:

| Particulars                                        | Lease liabilities | Non-current borrowings (including current maturities) | Current borrowings (including accrued interest) | Dividend     |
|----------------------------------------------------|-------------------|-------------------------------------------------------|-------------------------------------------------|--------------|
| <b>Opening balance</b>                             | <b>1,473.66</b>   | <b>8.00</b>                                           | <b>5,330.99</b>                                 | <b>92.76</b> |
| Add: Non-cash changes due to:                      |                   |                                                       |                                                 |              |
| - Recognition of lease liabilities                 | 329.16            | -                                                     | -                                               | -            |
| - Interest expense                                 | 190.41            | 0.68                                                  | 505.34                                          | -            |
| - Dividend                                         | -                 | -                                                     | -                                               | 66.50        |
| Add: Cash inflows during the year:                 |                   |                                                       |                                                 |              |
| - Proceeds from current borrowings (net)           | -                 | -                                                     | 3,308.03                                        | -            |
| Less: Cash outflows during the year:               |                   |                                                       |                                                 |              |
| - Repayment of non-current borrowings              | -                 | (2.80)                                                | -                                               | -            |
| - Repayment of current borrowings (net)            | -                 | -                                                     | -                                               | -            |
| - Repayment of lease liabilities                   | (173.18)          | -                                                     | -                                               | -            |
| - Interest paid                                    | (190.41)          | (0.68)                                                | (501.01)                                        | -            |
| - Dividend paid (including tax deducted at source) | -                 | -                                                     | -                                               | (154.13)     |
| <b>Closing balance as on 31 March 2022</b>         | <b>1,629.64</b>   | <b>5.20</b>                                           | <b>8,643.35</b>                                 | <b>5.13</b>  |
| Add: Non-cash changes due to:                      |                   |                                                       |                                                 |              |
| - Recognition of lease liabilities                 | 672.21            | -                                                     | -                                               | -            |
| - Interest expense                                 | 219.01            | 0.65                                                  | 628.04                                          | -            |
| - Dividend                                         | -                 | -                                                     | -                                               | 124.49       |
| Add: Cash inflows during the year:                 |                   |                                                       |                                                 |              |
| - Proceeds from current borrowings (net)           | -                 | -                                                     | 3,135.09                                        | -            |
| Less: Cash outflows during the year:               |                   |                                                       |                                                 |              |
| - Repayment of non-current borrowings              | -                 | 12.55                                                 | -                                               | -            |
| - Repayment of lease liabilities                   | (204.32)          | -                                                     | -                                               | -            |
| - Interest paid                                    | (219.01)          | (0.65)                                                | (628.04)                                        | -            |
| - Dividend paid (including tax deducted at source) | -                 | -                                                     | -                                               | (114.24)     |
| <b>Closing balance as on 31 March 2023</b>         | <b>2,097.53</b>   | <b>17.75</b>                                          | <b>11,778.44</b>                                | <b>15.38</b> |

The accompanying notes to the consolidated financial statements including a summary of significant accounting policies and explanatory information are an integral part of these consolidated financial statements.

This is the Consolidated Cash Flow Statement referred to in our report of even date.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration Number: 001076N/N500013

**Rajni Mundra**

Partner

Membership No.: 058644

**Place:** Mumbai

**Date:** 16 May 2023

For and on behalf of the Board of Directors of

**Senco Gold Limited**

**Suvankar Sen**

Managing Director and

Chief Executive Officer

DIN: 01178803

**Place:** Mumbai

**Date:** 16 May 2023

**Surendra Gupta**

Company Secretary and

Compliance Officer

Membership No.: A20666

**Place:** Kolkata

**Date:** 16 May 2023

**Ranjana Sen**

Director

DIN: 01226337

**Place:** Kolkata

**Date:** 16 May 2023

**Sanjay Banka**

Chief Financial Officer

**Place:** Mumbai

**Date:** 16 May 2023

## Statement of Changes in Equity for the year ended 31 March 2023

### A. Equity share capital (\*)

(Amount in ₹ millions, except otherwise stated)

| Particulars                 | Balance at the beginning of year | Changes during the year | Balance at the end of year |
|-----------------------------|----------------------------------|-------------------------|----------------------------|
| <b>As at 31 March 2023:</b> |                                  |                         |                            |
| Equity share capital        | 531.86                           | 26.64                   | 558.50                     |
| <b>As at 31 March 2022:</b> |                                  |                         |                            |
| Equity share capital        | 531.86                           | -                       | 531.86                     |

### B. Instruments entirely equity in nature (\*)

| Particulars                                               | Balance at the beginning of year | Changes during the year | Balance at the end of year |
|-----------------------------------------------------------|----------------------------------|-------------------------|----------------------------|
| <b>As at 31 March 2023:</b>                               |                                  |                         |                            |
| Compulsorily convertible non-cumulative preference shares | 132.96                           | -                       | 132.96                     |
| <b>As at 31 March 2022:</b>                               |                                  |                         |                            |
| Compulsorily convertible non-cumulative preference shares | 132.96                           | -                       | 132.96                     |

### C. Other equity (\*\*)

(Amount in ₹ millions, except otherwise stated)

| Particulars                                                                                     | Reserves and surplus |                 |                                        |                                   |                   | Other comprehensive income (OCI) |                         | Total    |
|-------------------------------------------------------------------------------------------------|----------------------|-----------------|----------------------------------------|-----------------------------------|-------------------|----------------------------------|-------------------------|----------|
|                                                                                                 | Securities premium   | General reserve | Special economic re-investment reserve | Share based payment reserve (***) | Retained earnings | Equity Instruments through OCI   | Cash flow hedge reserve |          |
| <b>Balance as at 1 April 2021</b>                                                               | 314.35               | 153.64          | 1.15                                   | -                                 | 4,896.18          | 0.25                             | (4.19)                  | 5,361.38 |
| Profit for the year (net of taxes)                                                              | -                    | -               | -                                      | -                                 | 1,291.02          | -                                | -                       | 1,291.02 |
| Other Comprehensive Income (net of taxes):                                                      |                      |                 |                                        |                                   | -                 | -                                | -                       |          |
| - Remeasurement gain of defined benefit plans                                                   | -                    | -               | -                                      | -                                 | 3.90              | -                                | -                       | 3.90     |
| - Effective portion of (loss) on designated portion of hedging instruments in a cash flow hedge | -                    | -               | -                                      | -                                 | -                 | -                                | 4.19                    | 4.19     |
| <b>Total comprehensive income for the year</b>                                                  | 314.35               | 153.64          | 1.15                                   | -                                 | 6,191.10          | 0.25                             | -                       | 6,660.49 |
| <b>Transactions with owners in their capacity as owners:</b>                                    |                      |                 |                                        |                                   |                   |                                  |                         |          |
| - Recognition of share based payment                                                            | -                    | -               | -                                      | 0.86                              | -                 | -                                | -                       | 0.86     |
| - Payment of dividends (refer note 38)                                                          | -                    | -               | -                                      | -                                 | (66.50)           | -                                | -                       | (66.50)  |
| <b>Balance as at 31 March 2022</b>                                                              | 314.35               | 153.64          | 1.15                                   | 0.86                              | 6,124.60          | 0.25                             | -                       | 6,594.85 |

## Statement of Changes in Equity for the year ended 31 March 2023

### C. Other equity (\*\*)

(Amount in ₹ millions, except otherwise stated)

| Particulars                                                                                                    | Reserves and surplus |                 |                                        |                                   |                   | Other comprehensive income (OCI) |                         | Total           |
|----------------------------------------------------------------------------------------------------------------|----------------------|-----------------|----------------------------------------|-----------------------------------|-------------------|----------------------------------|-------------------------|-----------------|
|                                                                                                                | Securities premium   | General reserve | Special economic re-investment reserve | Share based payment reserve (***) | Retained earnings | Equity Instruments through OCI   | Cash flow hedge reserve |                 |
| Profit for the year (net of taxes)                                                                             | -                    | -               | -                                      | -                                 | 1,584.79          | -                                | -                       | 1,584.79        |
| Other Comprehensive Income (net of taxes):                                                                     |                      |                 |                                        |                                   |                   |                                  |                         | -               |
| - Remeasurement gain of defined benefit plans                                                                  | -                    | -               | -                                      | -                                 | (5.21)            | -                                | -                       | (5.21)          |
| - Remeasurement of Investments in equity instruments measured at fair value through other comprehensive income | -                    | -               | -                                      | -                                 | -                 | 0.76                             | -                       | 0.76            |
| <b>Total comprehensive income for the year</b>                                                                 | <b>314.35</b>        | <b>153.64</b>   | <b>1.15</b>                            | <b>0.86</b>                       | <b>7,704.18</b>   | <b>1.01</b>                      | <b>-</b>                | <b>8,175.19</b> |
| Transactions with owners in their capacity as owners:                                                          |                      |                 |                                        |                                   |                   |                                  |                         |                 |
| - <b>Securities premium received</b>                                                                           | <b>723.36</b>        | -               | -                                      | -                                 | -                 | -                                | -                       | <b>723.36</b>   |
| - Recognition of share based payment                                                                           | -                    | -               | -                                      | 3.51                              | -                 | -                                | -                       | 3.51            |
| - Payment of dividends (refer note 38)                                                                         | -                    | -               | -                                      | -                                 | (138.32)          | -                                | -                       | (138.32)        |
| <b>Balance as at 31 March 2023</b>                                                                             | <b>1,037.71</b>      | <b>153.64</b>   | <b>1.15</b>                            | <b>4.37</b>                       | <b>7,565.86</b>   | <b>1.01</b>                      | <b>-</b>                | <b>8,763.74</b> |

(\*) Refer note 18

(\*\*) Refer note 19

(\*\*\*) Refer note 40

The accompanying notes to the consolidated financial statements including a summary of significant accounting policies and explanatory information are an integral part of these consolidated financial statements.

This is the Consolidated Statement of Changes in Equity referred to in our report of even date.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration Number: 001076N/N500013

**Rajni Mundra**

Partner

Membership No.: 058644

**Place:** Mumbai

**Date:** 16 May 2023

For and on behalf of the Board of Directors of

**Senco Gold Limited**

**Suvankar Sen**

Managing Director and

Chief Executive Officer

DIN: 01178803

**Place:** Mumbai

**Date:** 16 May 2023

**Surendra Gupta**

Company Secretary and

Compliance Officer

Membership No.: A20666

**Place:** Kolkata

**Date:** 16 May 2023

**Ranjana Sen**

Director

DIN: 01226337

**Place:** Kolkata

**Date:** 16 May 2023

**Sanjay Banka**

Chief Financial Officer

**Place:** Mumbai

**Date:** 16 May 2023

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

(Amount in ₹ millions, except otherwise stated)

## 1 Corporate information

Senco Gold Limited (the 'Holding Company') is a public company domiciled in India, with its registered office situated at Kolkata, India. The Holding Company has been incorporated under the provisions of the erstwhile Companies Act, 1956. The corporate identification number of the Holding Company is U36911WB1994PLC064637. The Holding Company and its subsidiary, as mentioned below, (collectively referred to as the 'Group') is engaged primarily in the business of manufacturing and trading of jewellery and articles made of gold, silver, platinum and other precious and semi precious stones.

The Consolidated Financial Statement include the financial statements of the Holding Company and its subsidiary, as mentioned below:

| Name of the subsidiary                                                     | Country of incorporation | Percentage holding                               |
|----------------------------------------------------------------------------|--------------------------|--------------------------------------------------|
| Senco Gold Artisanhip Private Limited<br>(incorporated on 14 October 2020) | India                    | 100% with effect from the date of incorporation. |

## 2 (a) Application of new and revised Indian Accounting Standards (Ind AS)

All the Ind AS issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the Consolidated financial statements are authorised, have been considered in preparing these Consolidated Financial Statements

### (b) Application of new accounting pronouncements

#### (i) Amendment to Ind AS 1, Presentation of Financial Statements

The Ministry of Corporate Affairs ("MCA") vide notification dated 31 March 2023, has issued an amendment to Ind AS 1 which requires entities to disclose material accounting policies instead of significant accounting policies. Accounting policy information considered together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The amendment also clarifies that immaterial accounting policy information does not need to be disclose. If it is disclosed, it should not obscure material accounting information. The Group is evaluating the requirement of the said amendment and its impact on these financial statements.

#### (ii) Amendment to Ind AS 8, Accounting Policies, Change in Accounting Estimates and Errors

The Ministry of Corporate Affairs ("MCA") vide notification dated 31 March 2023, has issued an amendment to Ind AS 8 which specifies an updated definition of an 'accounting estimate'. As per the amendment, accounting estimates are monetary amounts in the financial statements that are subject to measurement uncertainty and certain measurement techniques (viz estimation techniques and valuation techniques etc.) and inputs are used to develop such estimate. The Group is evaluating the requirement of the said amendment and its impact on these financial statements.

#### (iii) Amendment to Ind AS 12, Income Taxes

The Ministry of Corporate Affairs ("MCA") vide notification dated 31 March 2023, has issued an amendment to Ind AS 12, which requires entities to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. This will typically apply to transactions such as leases of lessees and decommissioning obligations and will require recognition of additional deferred tax assets and liabilities. The Group is evaluating the requirement of the said amendment and its impact on these financial statements.

## 3 Principles of consolidation

### Subsidiary

A subsidiary is an entity over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

(Amount in ₹ millions, except otherwise stated)

its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

The Consolidated Financial Statement have been prepared in accordance with Ind AS 110 'Consolidated Financial Statements' and on the basis of separate audited financial statements of the Holding Company and its subsidiary.

The Consolidated Financial Information of the Group are combined on a line-by-line basis by adding together book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or loss in accordance with Ind AS 110.

The subsidiary has a consistent reporting date of the balance sheet of the Holding Company.

Non-controlling interests, if any, in the results and equity of subsidiary companies is shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Consolidated Statement of Asset and Liabilities.

List of subsidiary company considered in the Consolidated Financial Information:

| Name of the subsidiary                                                  | Nature of business              | Name of the Holding Company | Country of incorporation | % Holding as at 31 March 2023 and 31 March 2022 |
|-------------------------------------------------------------------------|---------------------------------|-----------------------------|--------------------------|-------------------------------------------------|
| Senco Gold Artisanhip Private Limited (incorporated on 14 October 2020) | Manufacturing of gold jewellery | Senco Gold Limited          | India                    | 100%                                            |

## 4 Significant accounting policies

### 4.01 Overall consideration

These Consolidated Financial Information have been prepared on a going concern basis using the significant accounting policies and measurement bases as summarised below.

These accounting policies have been consistently used throughout all the years, presented in the Consolidated Financial Information, unless otherwise stated.

### 4.02 Statement of compliance

These Consolidated Financial Information have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013('the Act') and other relevant provisions of the Act (as amended).

### 4.03 Functional and presentation currency

The Consolidated Financial Information are presented in Indian rupee (₹), which is also the Group's functional currency. All amounts have been rounded off to the nearest millions, unless otherwise stated.

### 4.04 Basis of measurement

The Consolidated Financial Information have been prepared on historical cost convention on accrual basis, except for the following items:

| Items                                              | Measurement basis                                                           |
|----------------------------------------------------|-----------------------------------------------------------------------------|
| Derivative assets/liabilities                      | Fair value                                                                  |
| Certain financial assets and financial liabilities | Fair value                                                                  |
| Net defined benefit (asset)/ liability             | Fair value of plan assets less present value of defined benefit obligations |

## Notes to the Consolidated Financial Statements

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### 4.05 Measurement of fair values

Certain accounting policies and disclosures of the Group require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. The management has overall responsibility for overseeing all significant fair value measurements and it regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

**Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2:** inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

**Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair values is included in note 47.

Estimates and judgements are continuously evaluated. They are based on historical experience and other factors including expectation of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

### 4.06 Current/ non-current classification

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Act.

#### Assets

An asset is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realised within 12 months after the reporting date; or
- (d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

#### Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be settled in the Group's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within 12 months after the reporting date; or

# Notes to the Consolidated Financial Statements

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- (d) the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

## Operating cycle

Based on the nature of operations, the Group has ascertained its operating cycle for the purpose of current and non-current classification of assets and liabilities as 12 months. Operating cycle is the time between the purchase of raw materials for processing or purchase of stock-in-trade and their realisation in cash or cash equivalents.

## 4.07 Property, plant and equipment and capital work-in-progress

### Recognition and measurement

Property, plant and equipment are carried at cost of acquisition or construction less accumulated depreciation and impairment losses, if any. The cost of an item of property, plant and equipment comprises its purchase price and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price.

### Subsequent expenditure

Subsequent expenditures related to an item of property, plant and equipment are added to its book value only if it is probable that future economic benefits associated with the item will flow to the enterprise and the cost of the item can be measured reliably.

### Depreciation

#### Property, plant and equipment

Depreciation in respect of all the assets is provided on written down value method over their useful lives, as estimated by the management. Useful lives so estimated are in line with the useful lives indicated by Schedule II of the Act except for lease hold building and lease hold improvements which have been depreciated over the useful lives of the assets or the period of underlying lease agreement, whichever is lower. Depreciation is charged on a pro-rata basis for assets purchased/sold during the year.

Depreciation method, useful lives and residual values are reviewed at each financial period-end and adjusted if appropriate. Based on the management evaluation the useful lives as given below best represent the period over which management expects to use these assets.

The estimated useful life of main category of property plant and equipment and intangible assets are:-

| Class of assets        | Estimated useful life (years) |
|------------------------|-------------------------------|
| Freehold buildings     | 30 years                      |
| Leasehold improvements | 4 to 25 years (*)             |
| Plant and equipment    | 15 years                      |
| Furniture and fitting  | 10 years                      |
| Office equipment       | 5 years                       |
| Vehicles               | 8 years                       |

(\*) Based on the underlying lease term.

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## De-recognition

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the Consolidated Statement of Profit and Loss.

## Capital work-in-progress

Expenditure incurred during the period of construction, including all direct and indirect expenses, incidental and related to construction, is carried forward and on completion, the costs are allocated to the respective property, plant and equipment. Capital work-in-progress also includes assets pending installation and not currently available for intended use.

## 4.08 Intangible assets

### Recognition and measurement

Intangible assets that are acquired by the Group are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less accumulated amortisation and accumulated impairment loss, if any.

### Subsequent expenditure

Subsequent expenditures related to an item of intangible assets are added to its book value only if it is probable that future economic benefits associated with the item will flow to the enterprise and the cost of the item can be measured reliably.

### Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight line method, and is included in depreciation and amortisation in the Consolidated Statement of Profit and Loss.

| Class of assets   | Estimated useful life (years) |
|-------------------|-------------------------------|
| Computer software | 5 years                       |

Amortisation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

## 4.09 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### Initial recognition and measurement

All financial assets are recognized initially at fair value, plus, in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in the Statement of Profit and Loss or Other Comprehensive Income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through Other Comprehensive Income ('FVOCI').

# Notes to the Consolidated Financial Statements

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## (i) Non-derivative financial asset

### Subsequent measurement

#### Financial assets at amortised cost

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

Financial assets are measured at 'Fair value through other comprehensive income' (FVOCI) if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amounts are taken through OCI, except for the recognition of impairment gains or losses and interest income and foreign exchange gains and losses, which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at 'Fair value through the statement of profit and loss' (FVPL).

#### Investments in equity instruments of others

These are measured at cost in accordance with Ind AS 27 'Separate Financial Statements'.

#### Investments in equity instruments of others

These are measured at fair value through other comprehensive income ('FVOCI')

#### De-recognition of financial assets

A financial asset is de-recognised when the contractual rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset.

## (ii) Non-derivative financial liabilities

### Subsequent measurement

Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

#### De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Consolidated Statement of Profit and Loss.

## (iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a

## Notes to the Consolidated Financial Statements

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net basis, to realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

### (iv) Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its exposures towards fluctuation in gold prices.

#### Cash flow hedge

The Group uses derivative financial instruments to manage risks associated with gold price fluctuations relating to certain highly probable forecasted transactions. The Group has designated derivative financial instruments taken for gold price fluctuations as 'cash flow' hedges relating to highly probable forecasted transactions.

The use of derivative financial instruments is governed by the Group's policies approved by the Board of Directors, which provides principles on the use of such instruments consistent with the Group's risk management strategy.

Hedging instruments are initially measured at fair value, and are re-measured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised in Other Comprehensive Income and accumulated as cash flow hedge reserve and the ineffective portion is recognised immediately in the Consolidated Statement of Profit and Loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in cash flow hedge reserve is retained until the forecast transaction occurs upon which it is recognised in the Consolidated Statement of Profit and Loss. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss accumulated in cash flow hedge reserve is recognised immediately to the Consolidated Statement of Profit and Loss.

The Group has designated derivative financial instruments taken for gold price fluctuations as 'cash flow' hedges relating to highly probable forecasted transactions.

#### Fair value hedge

The Group designates non-derivative financial liabilities as hedging instruments to mitigate the risk of change in fair value of hedged item due to movement in commodity prices. Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the Consolidated Statement of Profit and Loss with an adjustment to the carrying value of the hedged item. The Group has designated the borrowings pertaining to gold taken on loan from banks ('unfixed gold') as a fair value hedge to the corresponding gold inventory purchased on loan.

### 4.10 Intangible assets under development

Intangible assets under development represents expenditure incurred in respect of intangible assets under development and are carried at cost. Cost includes development cost, borrowing costs and other direct expenditure necessary to create, produce and repair the asset to be capable of operating in the manner intended by management. These are recognised as assets when the Group demonstrates the following recognition requirements:

- a. The development costs can be measured reliably
- b. The project is technically and commercially feasible
- c. The group intends to and has sufficient resources to complete the project
- d. The group has the ability to use or sell such intangible asset
- e. The asset will generate probable future economic benefits.

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## 4.11 Inventories

Raw material – Lower of cost or net realisable value. Cost is determined on weighted average basis. Cost of raw material comprises of cost of purchase and other costs incurred in bringing the inventory to their present condition and location.

Finished goods – Lower of cost or net realisable value. Cost is determined on weighted average basis, includes direct material and labour expenses and appropriate proportion of manufacturing overheads.

Stock-in-trade – Lower of cost or net realisable value. Cost is determined on weighted average basis and comprises of cost of purchase and other costs incurred in bringing the inventory to their present condition and location.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

## 4.12 Impairment

### (i) Impairment of financial instruments: financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its financial assets and the impairment methodology depends on whether there has been a significant increase in credit risk.

#### Trade receivables

In respect of trade receivables, the Group applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

#### Other financial assets

In respect of its other financial assets, the Group assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Group measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Group uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Group compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Group assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

### (ii) Impairment of non-financial assets

Assessment is done at each balance sheet date as to whether there is any indication that an asset may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets and group of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount.

Recoverable amount is higher of an asset's or cash generating unit's selling price and its value in use. Value in use is the present value of estimated future cash flows expected to raise from continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each balance sheet date as to whether there is any indication that an impairment loss recognised for an assets in prior accounting periods may no longer exist or may have decreased.

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### 4.13 Employee benefits

The Group's obligations towards various employee benefits have been recognised as follows:

#### Post employment benefits

##### (i) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

##### (ii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Group makes specified monthly contributions for employee provident fund to Government administered provident fund scheme, which are defined contribution plans. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the Consolidated Statement of Profit and Loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

##### (iii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Group's gratuity benefit scheme is a defined benefit plan. The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in Other Comprehensive Income (OCI). The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the Consolidated Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in Consolidated Statement of Profit and Loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

When the benefits of a plan are improved, the portion of the increased benefit related to past service by employees is recognised in Consolidated Statement of Profit and Loss on a straight-line basis over the average period until the benefits become vested.

##### (iv) Other long-term employees benefits

The Group's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return of their service in the current and prior

# Notes to the Consolidated Financial Statements

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periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurement gains or losses are recognised in profit or loss in the period in which they arise.

## Compensated absences

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilised wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Group records an obligation for such compensated absences (which includes privilege leave and sick leave) in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method. Remeasurements gains and losses are recognised in the Consolidated Statement of Profit and Loss in the period in which they arise. The Group has classified all the compensated absence as current as all liability if arised shall be payable is 12 months.

## 4.14 Revenue recognition

### Revenue from sale of goods and rendering of services

Revenue from contracts with customers includes revenue for sale of goods and provision of services. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group determines at contract inception whether each performance obligation will be satisfied (i.e. Control will be transferred) over time or at a point in time.

Revenue from contract with customers is recognised when the Group satisfies performance obligation by transferring promised goods and services to the customer. Performance obligations may be satisfied at a point of time or over a period of time. Performance obligations satisfied over a period of time are recognised as per the term of relevant contractual agreements/ arrangements. Performance obligations are said to be satisfied at a point of time when the customer obtains controls of the asset.

Revenue is recognised based on the price specified in the contract, net of the line discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A contract liability is recognised for expected discounts as per Ind AS 115, payable to customers in relation to sales made until the end of the reporting period.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due, which are otherwise recorded as contract assets.

No significant element of financing is deemed present as the sales are made with a credit term only given to franchisee customers to an extent of 4 months, which is consistent with market practice. The Group's obligation to replace/ repair jewelleryes under the standard terms is recognised as contract asset, refer note 13(a).

Upfront/one time fees/charges received from franchises at the time of entering into such agreement/ contract is recognised as and when earned.

### Customer loyalty programme

The Group has a customer loyalty programme for its customers. The Group grants credit points to customers as part of a sales transaction and customer referrals which allows them to accumulate and redeem those credit points in future. The Group allocates a portion of the consideration received to loyalty points. This allocation is based on the relative stand-alone selling prices. The amount allocated to the loyalty programme is deferred,

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and is recognised as revenue when loyalty points are redeemed or the likelihood of the customer redeeming the loyalty points becomes remote.

## Recognition of dividend income, interest income or expense

Dividend income is recognised in the Consolidated Statement of Profit and Loss on the date on which the Group's right to receive payment is established. Interest income or expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income, the interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability.

## 4.15 Leases

### Group as a lessee – Right of use assets and lease liabilities

A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

### Classification of leases

The Group enters into leasing arrangements for various assets. The assessment of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to extend/purchase etc.

### Recognition and initial measurement of right of use assets

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease (if any), and any lease payments made in advance of the lease commencement date (net of any incentives received).

### Subsequent measurement of right of use assets

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

### Lease liabilities

At lease commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments) and variable payments based on an index or rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset.

The Group has elected to account for short-term leases using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these short-term leases are recognised as an expense in the Consolidated Statement of Profit and Loss on a straight-line basis over the lease term.

Further, the Group has also elected to apply another practical expedient whereby it has assessed all the rent concessions occurring as a direct consequence of the COVID-19 pandemic, basis the following conditions prescribed under the standard:

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- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before the 30 June 2022 and
- there is no substantive change to other terms and conditions of the lease.

If all the rent concessions meet the above conditions, then, the related rent concession has been recognised in the Consolidated Statement of Profit and Loss.

## 4.16 Borrowing cost

Borrowing cost includes interest expense as per effective interest rate (EIR). Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for its intended use or sale. All other borrowing costs are expensed in the period they occur.

## 4.17 Foreign currency

### Functional and presentation currency

Items included in the Consolidated Financial Statement of the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Consolidated Financial Statement have been prepared and presented in Indian Rupees (INR), which is the Group's functional and presentation currency.

### Transactions and balances

Foreign currency transactions are recorded in the functional currency, by applying to the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Foreign currency monetary items outstanding at the balance sheet date are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the Consolidated Statement of Profit and Loss in the year in which they arise.

## 4.18 Taxes

Tax expense comprises current and deferred tax. Current and deferred tax is recognised in the Consolidated Statement of Profit and Loss except to the extent that it relates to items recognised directly in equity or Other Comprehensive Income ('OCI').

The current income-tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the holding company and its subsidiaries operate respectively and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred tax is provided in full, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the Consolidated Financial Statement. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred tax liability is settled. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

## Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

(Amount in ₹ millions, except otherwise stated)

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

### 4.19 Cash and cash equivalents

Cash and cash equivalents include cash and cash-on-deposit with banks. The Group considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

### 4.20 Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

### 4.21 Earnings per equity share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### 4.22 Operating segment

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial Statement is available. All operating segments' operating results are reviewed regularly by the Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance. Based on such assessment, the Group currently has only one operating segment and two geographical segments viz. Domestic Market and International Market.

### 4.23 Provisions, contingent liabilities and contingent assets

Provisions are recognized when the Group has a present (legal or constructive) obligation as a result of past events, for which it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions required to settle are reviewed regularly and are adjusted where necessary to reflect the current best estimates of the obligation. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed unless the likelihood of an outflow of resources is remote and there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

Contingent assets are disclosed only when inflow of economic benefits therefrom is probable and recognize only when realization of income is virtually certain.

### 4.24 Equity investment

Equity investments in subsidiaries are measured at cost. The investments are reviewed at each reporting date to determine whether there is any indication of impairment considering the provisions of Ind AS 36 'Impairment of Assets'. If any such indication exists, policy for impairment of non-financial assets is followed.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

(Amount in ₹ millions, except otherwise stated)

## 4.25 Share based payments – Employee Stock Option Scheme (ESOP's)

The fair value of options granted under the employee stock option plan is recognized as an employee benefits expense with a corresponding increase in the equity. The total amount to be expensed is determined by reference to the fair value of the options. The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in the Consolidated Statement of Profit and Loss, with a corresponding adjustment to the equity. Upon exercise of share options, the proceeds received are allocated to the share capital up to the par value of the shares issued with any excess being recorded as securities premium.

## 4.26 Share issue expenses

Share issue expenses are adjusted against the Securities Premium Account as permissible under Section 52 of the Companies Act, 2013, to the extent any balance is available for utilisation in the Securities Premium Account. Share issue expenses in excess of the balance in the Securities Premium Account is expensed in the Consolidated Statement of Profit and Loss.

## 4.27 Significant accounting judgments, estimates and assumptions

### Use of estimates and judgements

The preparation of Consolidated Financial Statement requires management to make judgments, estimates and assumptions that may impact the application of accounting policies and the reported value of assets, liabilities, income, expenses and related disclosures concerning the items involved as well as contingent assets and liabilities at the balance sheet date. The estimates and management's judgments are based on previous experience and other factors considered reasonable and prudent in the circumstances. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In order to enhance understanding of the financial statements, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the Consolidated Financial Statement is as under:

Estimates and judgements are continuously evaluated. They are based on historical experience and other factors including expectation of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

### Useful lives of property, plant and equipment

The Group uses its technical expert along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

The Group has taken certain premises on lease for a period of 4 to 25 years. Under the terms of the related agreement, the lease period may be extended at the option of the lessee. Assets constructed on such leasehold properties are depreciated over their respective lease terms.

### Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using certain valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as volatility risk, credit risk and volatility.

## Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

(Amount in ₹ millions, except otherwise stated)

### Defined benefit obligation ('DBO')

Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

### Recognition of deferred tax assets

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Group's future taxable income (supported by reliable evidence) against which the deferred tax assets can be utilized.

### Evaluation of indicators for impairment of assets

The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

### Contingent liabilities

At each balance sheet date basis the management's judgment, changes in facts and legal aspects, the Group assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

### Leases

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of leases ('Ind AS 116'). Identification of a lease requires significant judgment. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

### Share based payment

At the end of each period, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in the Consolidated Statement of Profit and Loss, with a corresponding adjustment to the equity.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

(Amount in ₹ millions, except otherwise stated)

## 5 Property, plant and equipment

| Particulars                        | Freehold buildings | Leasehold improvements | Plant and equipment | Furniture and fitting | Office equipment | Vehicles | Total    |
|------------------------------------|--------------------|------------------------|---------------------|-----------------------|------------------|----------|----------|
| <b>Gross block</b>                 |                    |                        |                     |                       |                  |          |          |
| <b>Balance as at 01 April 2021</b> | 598.65             | 135.94                 | 322.42              | 408.62                | 46.56            | 25.30    | 1,537.49 |
| Additions for the period           | -                  | 26.54                  | 69.03               | 63.51                 | 27.38            | 1.69     | 188.15   |
| Disposals during the period        | -                  | -                      | -                   | -                     | -                | -        | -        |
| <b>Balance as at 31 March 2022</b> | 598.65             | 162.48                 | 391.45              | 472.13                | 73.94            | 26.99    | 1,725.64 |
| Additions for the period           | 41.88              | 52.15                  | 79.24               | 95.94                 | 56.43            | -        | 325.64   |
| Deletion during the year           | -                  | (16.70)                | -                   | -                     | -                | -        | (16.70)  |
| <b>Balance as at 31 March 2023</b> | 640.53             | 197.93                 | 470.69              | 568.07                | 130.37           | 26.99    | 2,034.58 |
| <b>Accumulated depreciation</b>    |                    |                        |                     |                       |                  |          |          |
| <b>Balance as at 01 April 2021</b> | 231.03             | 88.65                  | 187.78              | 306.81                | 35.85            | 13.53    | 863.65   |
| Charge for the period              | 30.53              | 8.68                   | 54.43               | 56.23                 | 17.28            | 3.84     | 170.99   |
| <b>Balance as at 31 March 2022</b> | 261.56             | 97.33                  | 242.21              | 363.04                | 53.13            | 17.37    | 1,034.64 |
| Charge for the year                | 30.73              | 11.72                  | 45.98               | 52.16                 | 23.57            | 1.92     | 166.08   |
| Deletion during the year           | -                  | (13.16)                | -                   | -                     | -                | -        | (13.16)  |
| <b>Balance as at 31 March 2023</b> | 292.29             | 95.89                  | 288.19              | 415.20                | 76.70            | 19.29    | 1,187.56 |
| <b>Net block</b>                   |                    |                        |                     |                       |                  |          |          |
| <b>As at 31 March 2022</b>         | 337.09             | 65.15                  | 149.24              | 109.09                | 20.81            | 9.62     | 691.00   |
| <b>As at 31 March 2023</b>         | 348.24             | 102.04                 | 182.50              | 152.87                | 53.67            | 7.70     | 847.02   |

### Notes:

- (a) Contractual obligations: Refer note 45 for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- (b) Refer note 20 for property, plant and equipment pledged as security.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2023



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## 5 Property, plant and equipment (Contd.)

### Notes:

(c) Title deeds of immovable properties not held in the name of the Group:

| Particulars                   | Description of the item of property | Gross carrying value | Title deeds held in the name of        | Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter or director | Property held since which date | Reason for not being held in the name of the Group |
|-------------------------------|-------------------------------------|----------------------|----------------------------------------|------------------------------------------------------------------------------------------------------------------------|--------------------------------|----------------------------------------------------|
| <b>As at 31 March 2023</b>    |                                     |                      |                                        |                                                                                                                        |                                |                                                    |
| Property, plant and equipment | Building                            | 6.94                 | Senco Gold Impex Private Limited       | No                                                                                                                     | 14 March 2007                  | Refer note (a) below                               |
|                               | Building                            | 16.57                | Senco Gold Private Limited             | No                                                                                                                     | 06 December 2006               | Refer note (b) below                               |
| <b>As at 31 March 2022</b>    |                                     |                      |                                        |                                                                                                                        |                                |                                                    |
| Property, plant and equipment | Building                            | 87.23                | Addyashakti Properties Private Limited | No                                                                                                                     | 01 April 2015                  | Refer note (a) below                               |
|                               | Building                            | 142.69               | Addyashakti Properties Private Limited | No                                                                                                                     | 01 April 2015                  | Refer note (a) below                               |
|                               | Building                            | 6.94                 | Senco Gold Impex Private Limited       | No                                                                                                                     | 14 March 2007                  | Refer note (a) below                               |
|                               | Building                            | 16.57                | Senco Gold Private Limited             | No                                                                                                                     | 06 December 2006               | Refer note (b) below                               |

(a) The said properties were transferred as a result of merger of the above mentioned entities into the Holding Company in the previous years. The management of the Holding Company is in the process of getting the title deeds duly transferred.

(b) This property is held by the Holding Company in its erstwhile name. The management of the Holding Company is in the process of getting the title deeds duly transferred.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

(Amount in ₹ millions, except otherwise stated)

## 6 Capital work-in-progress (CWIP)

| Particulars                             | As at<br>31 March 2023 | As at<br>31 March 2022 |
|-----------------------------------------|------------------------|------------------------|
| Balance as at the beginning of the year | 65.14                  | 24.38                  |
| Addition for the year                   | 204.36                 | 138.18                 |
| Capitalised during the year             | (138.86)               | (97.42)                |
| Balance as at the end of the year       | <b>130.64</b>          | <b>65.14</b>           |

Notes:

(a) CWIP ageing schedule :

| Particulars                 | Amount of CWIP for a period of: |           |           |                      |        |
|-----------------------------|---------------------------------|-----------|-----------|----------------------|--------|
|                             | Less than<br>1 year             | 1-2 years | 2-3 years | More than<br>3 years | Total  |
| <b>As at 31 March 2023:</b> |                                 |           |           |                      |        |
| Retail stores               | 97.63                           | 0.06      | 0.21      | 18.76                | 116.66 |
| Head office                 | 13.98                           | -         | -         | -                    | 13.98  |
| <b>As at 31 March 2022:</b> |                                 |           |           |                      |        |
| Retail stores               | 46.17                           | 0.21      | 0.18      | 18.58                | 65.14  |

(b) CWIP completion schedule for capital work in progress, whose completion is overdue or has exceeded its cost compared to its original plan:

| Particulars                 | To be completed in: |           |           |                      |       |
|-----------------------------|---------------------|-----------|-----------|----------------------|-------|
|                             | Less than<br>1 year | 1-2 years | 2-3 years | More than<br>3 years | Total |
| <b>As at 31 March 2023:</b> |                     |           |           |                      |       |
| Retail store                | 19.40               | -         | -         | -                    | 19.40 |
| <b>As at 31 March 2022:</b> |                     |           |           |                      |       |
| Retail store                | 18.97               | -         | -         | -                    | 18.97 |

## 7 Right-of-use assets

| Particulars                        | Building        | Total           |
|------------------------------------|-----------------|-----------------|
| <b>Gross block</b>                 |                 |                 |
| <b>Balance as at 01 April 2021</b> | <b>1,788.02</b> | <b>1,788.02</b> |
| Additions during the year          | 346.69          | 346.69          |
| Deletions during the year          | (8.47)          | (8.47)          |
| <b>Balance as at 31 March 2022</b> | <b>2,126.24</b> | <b>2,126.24</b> |
| Additions during the year          | 726.65          | 726.65          |
| Deletions during the year          | (85.39)         | (85.39)         |
| <b>Balance as at 31 March 2023</b> | <b>2,767.50</b> | <b>2,767.50</b> |
| <b>Accumulated depreciation</b>    |                 |                 |
| <b>Balance as at 1 April 2021</b>  | <b>370.76</b>   | <b>370.76</b>   |
| Charge for the year                | 241.60          | 241.60          |
| Deletions during the year          | (2.32)          | (2.32)          |
| <b>Balance as at 31 March 2022</b> | <b>610.04</b>   | <b>610.04</b>   |
| Charge for the year                | 282.41          | 282.41          |
| Deletions during the year          | (51.65)         | (51.65)         |
| <b>Balance as at 31 March 2023</b> | <b>840.80</b>   | <b>840.80</b>   |

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

(Amount in ₹ millions, except otherwise stated)

## 7 Right-of-use assets (Contd.)

| Particulars                   | Building | Total    |
|-------------------------------|----------|----------|
| Net block as on 31 March 2022 | 1,516.20 | 1,516.20 |
| Net block as on 31 March 2023 | 1,926.70 | 1,926.70 |

### Notes:

(a) The Group as a lessee has obtained certain assets such as immovable properties on various leasing arrangements for the purposes of setting up of retail stores, work-shops and guest houses. With the exception of short-term leases and leases of low value underlying assets, each lease is reflected on the balance sheet as a right-to-use asset and a lease liability. Variable lease payment which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and right-of-use assets. The Group has presented its right-of-use assets separately from other assets. Each lease generally imposes a restriction that unless there is a contractual right for the Group to sub-lease the asset to another party, the right-of-use asset can only be used by the Group. Some lease contain an option to extend the lease for a further term.

### (b) Additional information on extension/ termination options:

Extension and termination options are included in a number of property lease arrangements of the Group. These are used to maximise operational flexibility in terms of managing the assets used in the group's operations. The majority of extension and termination options held are exercisable are based on consent of the Group.

(c) There are no leases which are yet to commence as on 31 March 2023 (31 March 2022: Nil)

### (d) Lease payments, not included in measurement of liability

The Group has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. The expense relating to payments not included in the measurement of the lease liability is as follows:

| Particulars             | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|-------------------------|-----------------------------|-----------------------------|
| Short-term leases       | 7.45                        | 3.45                        |
| Cancellable leases      | 45.07                       | 39.68                       |
| Variable lease payments | 5.44                        | 7.68                        |
|                         | 57.96                       | 50.81                       |

### (e) Total undiscounted future lease payments relating to underlying leases are as follows:

| Particulars         | Within 1<br>year | 1-2 years | 2-5 years | More than<br>5 years | Total    |
|---------------------|------------------|-----------|-----------|----------------------|----------|
| As at 31 March 2023 |                  |           |           |                      |          |
| Lease payments      | 447.00           | 420.95    | 1,200.41  | 1,338.05             | 3,406.41 |
|                     | 447.00           | 420.95    | 1,200.41  | 1,338.05             | 3,406.41 |
| As at 31 March 2022 |                  |           |           |                      |          |
| Lease payments      | 362.48           | 347.49    | 880.34    | 1,089.17             | 2,679.48 |
|                     | 362.48           | 347.49    | 880.34    | 1,089.17             | 2,679.48 |

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

(Amount in ₹ millions, except otherwise stated)

## 7 Right-of-use assets (Contd.)

|                                                                                | As at<br>31 March 2023 | As at<br>31 March 2022 |
|--------------------------------------------------------------------------------|------------------------|------------------------|
| <b>(f) Amount recognised in the Balance Sheet:</b>                             |                        |                        |
| <b>(i) Right-of-use assets</b>                                                 |                        |                        |
| Buildings                                                                      | 1,926.70               | 1,516.20               |
|                                                                                | <b>1,926.70</b>        | <b>1,516.20</b>        |
| <b>(ii) Lease liabilities</b>                                                  |                        |                        |
| Non-current                                                                    | 1,884.02               | 1,451.03               |
| Current                                                                        | 213.51                 | 178.61                 |
|                                                                                | <b>2,097.53</b>        | <b>1,629.64</b>        |
| <b>(g) Amount recognised in the consolidated Statement of Profit and Loss:</b> |                        |                        |
| <b>(i) Depreciation and amortisation expense:</b>                              |                        |                        |
| Building                                                                       | 282.41                 | 241.60                 |
| (ii) Interest expense (included in finance cost)                               | 219.01                 | 190.41                 |
| (iii) Gain on lease modification                                               | <b>13.05</b>           | -                      |

## (h) Information about extension and termination options

| Right-of-use assets       | Number of leases | Range of remaining term (in years) | Average remaining lease term (in years) | Number of leases with extension option | Number of leases with purchase option | Number of leases with termination option |
|---------------------------|------------------|------------------------------------|-----------------------------------------|----------------------------------------|---------------------------------------|------------------------------------------|
| Building premises         | 87               | 0.50 to 17.47                      | 6.16                                    | 87                                     | -                                     | 87                                       |
| Other plant and equipment | 5                | 3.42 to 8.01                       | 5.29                                    | 5                                      | -                                     | 5                                        |
| Land                      | 2                | 29                                 | 29                                      | -                                      | -                                     | -                                        |

- (i) Refer note 21 for lease liabilities and note 33 for finance costs on lease liabilities.
- (j) The Group has renegotiated with certain landlords on the rent reduction/ waiver due to COVID 19 pandemic. The management believes that such reduction/ waiver in rent is short-term in nature and also meets the other conditions specified in the notification issued by the Central Government in consultation with National Financial Reporting Authority dated 24 July 2020 as Companies (Indian Accounting Standards) Amendment Rules, 2020 with effect from 1 April 2020. Accordingly, the impact of all such rent concessions received during the year has been recorded under "Other income" in the Consolidated Statement of Profit and Loss, amounting to Nil (year ended 31 March 2022: ₹29.34 millions;).

## 8 Intangible assets

|                                 | As at<br>31 March 2023 | As at<br>31 March 2022 |
|---------------------------------|------------------------|------------------------|
| <b>Computer software</b>        |                        |                        |
| <b>Gross block</b>              |                        |                        |
| At the beginning of the year    | 63.58                  | 57.78                  |
| Additions during the year       | 5.40                   | 5.80                   |
| At the end of the year          | <b>68.98</b>           | <b>63.58</b>           |
| <b>Accumulated amortisation</b> |                        |                        |
| At the beginning of the year    | 38.99                  | 30.43                  |
| Amortisation for the year       | 7.04                   | 8.56                   |
| At the end of the year          | 46.03                  | 38.99                  |
| <b>Net block</b>                | <b>22.95</b>           | <b>24.59</b>           |

## Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

(Amount in ₹ millions, except otherwise stated)

### 9 Investments

| Particulars                                                                                                     | As at<br>31 March 2023 | As at<br>31 March 2022 |
|-----------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| <b>Investment in equity instrument - unquoted</b>                                                               |                        |                        |
| <b>(a) Others</b>                                                                                               |                        |                        |
| (Measured at fair value through other comprehensive income)                                                     |                        |                        |
| 2,700 shares in Diamond Prestige Occupants Association, fully paid-up (31 March 2022: 2,700 shares) of ₹10 each | 1.27                   | 0.26                   |
|                                                                                                                 | 1.27                   | 0.26                   |
| <b>Note:</b>                                                                                                    |                        |                        |
| Aggregate amount of quoted investments and market value thereof:                                                |                        | -                      |
| Aggregate amount of unquoted investments:                                                                       | 1.27                   | 0.26                   |
| Aggregate amount of impairment in value of investments:                                                         | -                      | -                      |

### 10 Other financial assets

|                                                                           | As at<br>31 March 2023 | As at<br>31 March 2022 |
|---------------------------------------------------------------------------|------------------------|------------------------|
| <b>(Unsecured, considered good)</b>                                       |                        |                        |
| <b>Non - current</b>                                                      |                        |                        |
| Security deposits                                                         | 328.14                 | 142.87                 |
| Bank deposits with maturity of more than 12 months [refer note (a) below] | 231.28                 | 23.65                  |
|                                                                           | <b>559.42</b>          | <b>166.52</b>          |
| <b>Current</b>                                                            |                        |                        |
| Security deposits                                                         | 52.69                  | 79.56                  |
| Interest accrued but not due on fixed deposits                            | 60.89                  | 23.07                  |
| Margin money with brokers [refer note (b) below]                          | 593.23                 | 437.25                 |
| Mark to market gain on gold future contracts                              | -                      | 46.23                  |
| Other receivables                                                         | 5.79                   | 2.55                   |
|                                                                           | <b>712.60</b>          | <b>588.66</b>          |

#### Notes:

- (a) Bank deposits with maturity of more than 12 months includes deposits maintained for the jewellery purchase schemes for compliance with the Companies (Acceptance of Deposit) Rules, 2014 as per the Companies Act 2013, as amended, amounting to ₹149.52 millions (31 March 2022: ₹23.50 millions).
- (b) The deposits maintained by the Holding Company with brokers comprise time deposits for open hedging contracts which can be withdrawn by the Holding Company at any point without prior notice or penalty on the principal balance.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

(Amount in ₹ millions, except otherwise stated)

## 11 Deferred tax assets (net)

|                                                                | As at<br>31 March 2023 | As at<br>31 March 2022 |
|----------------------------------------------------------------|------------------------|------------------------|
| <b>Deferred tax assets arising on account of:</b>              |                        |                        |
| Property, plant and equipment and other intangible assets      | 57.67                  | 54.16                  |
| Provision for expense allowed for tax purpose on payment basis | 56.76                  | 37.97                  |
| Provision for employee benefits expense                        | 11.15                  | 9.57                   |
| Impact of right-of-use asset and lease liabilities             | 79.83                  | 60.76                  |
| Other financial liabilities                                    | 0.12                   | (0.02)                 |
| Other adjustments                                              | -                      | -                      |
| <b>Total deferred tax assets</b>                               | <b>205.53</b>          | <b>162.44</b>          |
| <b>Deferred tax liabilities arising on account of:</b>         |                        |                        |
| Investments at fair value through OCI                          | (0.32)                 | (0.07)                 |
| Loans                                                          | (25.62)                | (20.91)                |
| Other adjustments                                              | (0.19)                 | (0.19)                 |
| <b>Total deferred tax liabilities</b>                          | <b>(26.13)</b>         | <b>(21.17)</b>         |
| <b>Deferred tax assets (net)</b>                               | <b>179.40</b>          | <b>141.27</b>          |

### (a) Movement in deferred tax assets/(liabilities)

| Particulars                                                    | Balance<br>as at the<br>beginning<br>of the<br>year | Recognised<br>in the<br>Statement<br>of Profit<br>and Loss | Recognised<br>in other<br>comprehensive<br>income | Balance<br>as at the<br>end of the<br>year |
|----------------------------------------------------------------|-----------------------------------------------------|------------------------------------------------------------|---------------------------------------------------|--------------------------------------------|
| <b>Year ended 31 March 2023:</b>                               |                                                     |                                                            |                                                   |                                            |
| <b>Deferred tax assets arising on account of:</b>              |                                                     |                                                            |                                                   |                                            |
| Property, plant and equipment and other intangible assets      | 54.16                                               | 3.51                                                       | -                                                 | 57.67                                      |
| Provision for expense allowed for tax purpose on payment basis | 37.97                                               | 18.79                                                      | -                                                 | 56.76                                      |
| Provision for employee benefits expense                        | 9.57                                                | (0.17)                                                     | 1.75                                              | 11.15                                      |
| Impact of right-of-use asset and lease liabilities             | 60.76                                               | 19.07                                                      | -                                                 | 79.83                                      |
| Other financial liabilities                                    | (0.02)                                              | 0.14                                                       | -                                                 | 0.12                                       |
| Other adjustments                                              | -                                                   | -                                                          | -                                                 | -                                          |
| <b>Deferred tax liabilities arising on account of:</b>         |                                                     |                                                            |                                                   |                                            |
| Investments at fair value through OCI                          | (0.07)                                              | -                                                          | (0.25)                                            | (0.32)                                     |
| Loans                                                          | (20.91)                                             | (4.71)                                                     | -                                                 | (25.62)                                    |
| Other adjustments                                              | (0.19)                                              | -                                                          | -                                                 | (0.19)                                     |
|                                                                | <b>141.27</b>                                       | <b>36.63</b>                                               | <b>1.50</b>                                       | <b>179.40</b>                              |

## Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

(Amount in ₹ millions, except otherwise stated)

### 11 Deferred tax assets (net) (Contd.)

| Particulars                                                    | Balance as at the beginning of the year | Recognised in the Statement of Profit and Loss | Recognised in other comprehensive income | Balance as at the end of the year |
|----------------------------------------------------------------|-----------------------------------------|------------------------------------------------|------------------------------------------|-----------------------------------|
| <b>Year ended 31 March 2022:</b>                               |                                         |                                                |                                          |                                   |
| <b>Deferred tax assets arising on account of:</b>              |                                         |                                                |                                          |                                   |
| Property, plant and equipment and other intangible assets      | 40.77                                   | 13.39                                          | -                                        | 54.16                             |
| Provision for expense allowed for tax purpose on payment basis | 51.78                                   | (13.81)                                        | -                                        | 37.97                             |
| Provision for employee benefits expense                        | 13.33                                   | (2.45)                                         | (1.31)                                   | 9.57                              |
| Impact of right-of-use asset and lease liabilities             | 40.99                                   | 19.77                                          | -                                        | 60.76                             |
| Other financial liabilities                                    | 0.02                                    | (0.04)                                         | -                                        | (0.02)                            |
| Other adjustments                                              | 0.31                                    | 1.10                                           | (1.41)                                   | 0.00                              |
| <b>Deferred tax liabilities arising on account of:</b>         |                                         |                                                |                                          |                                   |
| Investments at fair value through OCI                          | (0.07)                                  | -                                              | -                                        | (0.07)                            |
| Loans                                                          | (20.08)                                 | (0.83)                                         | -                                        | (20.91)                           |
| Other adjustments                                              | -                                       | (0.19)                                         | -                                        | (0.19)                            |
|                                                                | <b>127.05</b>                           | <b>16.94</b>                                   | <b>(2.72)</b>                            | <b>141.27</b>                     |

### 12 Income-tax assets

|                                                                                                       | As at 31 March 2023 | As at 31 March 2022 |
|-------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| Prepaid taxes (net of provision for tax of ₹2,276.09 millions)<br>(31 March 2022: ₹1,362.10 millions) | 184.87              | 180.36              |
|                                                                                                       | <b>184.87</b>       | <b>180.36</b>       |

### 13 Other non-current and current assets

|                                                              | As at 31 March 2023 | As at 31 March 2022 |
|--------------------------------------------------------------|---------------------|---------------------|
| <b>Non-current</b>                                           |                     |                     |
| Capital advances                                             | 177.46              | 184.67              |
| Advances other than capital advances:                        |                     |                     |
| - Prepaid expenses                                           | 13.44               | 18.12               |
|                                                              | <b>190.90</b>       | <b>202.79</b>       |
| <b>Current</b>                                               |                     |                     |
| Balance with statutory authorities                           | 315.28              | 181.49              |
| Prepaid expenses                                             | 82.73               | 65.25               |
| Advance to suppliers                                         | 103.97              | 15.22               |
| Contract assets [refer note (a) below]                       | 47.77               | 54.93               |
| Initial public offer ('IPO') expenses [refer note (b) below] | 63.15               | 13.61               |
|                                                              | <b>612.90</b>       | <b>330.50</b>       |

**Note:**

(a) Contract assets represents the amount of goods expected to be received by the Company on account of sales return.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

(Amount in ₹ millions, except otherwise stated)

## 13 Other non-current and current assets (Contd.)

- (b) Unamortised initial public offer related expenses: The Company is in the process of launching its initial public offer (IPO) of equity shares, and has incurred certain expenses amounting to ₹63.15 millions (31 March 2022: ₹13.61 millions) in connection with the said public offer. These IPO related expenses will largely be adjusted against the securities premium to the extent permissible under Section 52 of the Companies Act, 2013 on successful completion of the issue.

## 14 Inventories

|                                                    | As at<br>31 March 2023 | As at<br>31 March 2022 |
|----------------------------------------------------|------------------------|------------------------|
| (Valued at lower of cost and net realizable value) |                        |                        |
| Raw materials                                      | 2,439.51               | 1,461.02               |
| Stock-in-trade                                     | 4,423.07               | 2,749.60               |
| Finished goods                                     | 11,991.99              | 9,701.83               |
|                                                    | <b>18,854.57</b>       | <b>13,912.45</b>       |

### Note:

- (a) Refer note 20 for information on inventories pledged as security by the Group.

## 15 Trade receivables

|                                           | As at<br>31 March 2023 | As at<br>31 March 2022 |
|-------------------------------------------|------------------------|------------------------|
| Considered good - Unsecured               | 454.22                 | 393.98                 |
| Credit impaired                           | 25.57                  | 23.12                  |
|                                           | <b>479.79</b>          | <b>417.10</b>          |
| Less: Allowances for expected credit loss | (25.57)                | (23.12)                |
|                                           | <b>454.22</b>          | <b>393.98</b>          |

### Notes:

- (a) The movement in allowances for credit losses is as follows:

|                                     |              |              |
|-------------------------------------|--------------|--------------|
| Balance as at beginning of the year | 23.12        | 25.56        |
| Additions during the year           | 2.45         | (2.44)       |
| Balance at the end of the year      | <b>25.57</b> | <b>23.12</b> |

- (b) Trade receivables ageing schedule is as follows:

| Particulars                       | Outstanding for following periods from due date of payment |                      |           |           |                      | Total  |
|-----------------------------------|------------------------------------------------------------|----------------------|-----------|-----------|----------------------|--------|
|                                   | Less than<br>6 months                                      | 6 months<br>- 1 year | 1-2 years | 2-3 years | More than<br>3 years |        |
| <b>As at 31 March 2023</b>        |                                                            |                      |           |           |                      |        |
| (i) Undisputed trade receivables: |                                                            |                      |           |           |                      |        |
| - considered good                 | 421.93                                                     | 32.29                | -         | -         | -                    | 454.22 |
| - considered doubtful             | -                                                          | -                    |           | 0.03      | 2.42                 | 2.45   |
| (ii) Disputed trade receivables:  |                                                            |                      |           |           |                      | -      |
| - considered good                 | -                                                          | -                    | -         | -         | -                    | -      |
| - considered doubtful             | -                                                          | -                    | -         | -         | 23.12                | 23.12  |

## Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

(Amount in ₹ millions, except otherwise stated)

### 11 Deferred tax assets (net) (Contd.)

| Particulars                       | Outstanding for following periods from due date of payment |                   |           |           |                   |        |
|-----------------------------------|------------------------------------------------------------|-------------------|-----------|-----------|-------------------|--------|
|                                   | Less than 6 months                                         | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | Total  |
| <b>As at 31 March 2022</b>        |                                                            |                   |           |           |                   |        |
| (i) Undisputed trade receivables: |                                                            |                   |           |           |                   |        |
| - considered good                 | 388.05                                                     | 0.43              | 0.53      | 4.97      | -                 | 393.98 |
| - considered doubtful             | -                                                          | -                 | -         | -         | -                 | -      |
| (ii) Disputed trade receivables:  |                                                            |                   |           |           |                   |        |
| - considered good                 | -                                                          | -                 | -         | -         | -                 | -      |
| - considered doubtful             | -                                                          | -                 | -         | 23.12     | -                 | 23.12  |

(c) Refer note 47 for information about credit risk and market risk of trade receivables.

(d) There are no outstanding debts due from directors or other officers of the Group.

(e) Refer note 20 for information on trade receivables pledged as security by the Group.

### 16 Cash and cash equivalents

|                                                 | As at 31 March 2023 | As at 31 March 2022 |
|-------------------------------------------------|---------------------|---------------------|
| Balances with banks in current accounts (*)     | 49.42               | 29.24               |
| Fixed deposits with maturity less than 3 months | 12.06               | 47.44               |
| Cheques on hand                                 | 1.40                | 2.78                |
| Cash on hand                                    | 31.95               | 15.98               |
|                                                 | <b>94.83</b>        | <b>95.44</b>        |

(\*) The balance in current account, inter alia, includes funds in transit primarily for credit card and online receipts, yet to be credited to the Group amounting to ₹20.44 millions (31 March 2022: ₹22.21 millions)

### 17 Bank balances other than cash and cash equivalent

|                                                                                                   | As at 31 March 2023 | As at 31 March 2022 |
|---------------------------------------------------------------------------------------------------|---------------------|---------------------|
| Bank deposits held as margin money and earmarked against other commitments [refer note (a) below] | 3,185.85            | 1,487.89            |
| Balances with banks in current accounts [refer note (b) and (c) below]                            | 1,095.05            | 1,204.80            |
|                                                                                                   | <b>4,280.90</b>     | <b>2,692.69</b>     |

#### Notes:

- (a) Inter-alia, includes deposits maintained for the jewellery purchase schemes for compliance with the Companies (Acceptance of Deposit) Rules, 2014 as per the Companies Act 2013, as amended, amounting to ₹23.50 millions (31 March 2022: ₹119.00 Million)
- (b) Inter-alia, includes amounts held as margin monies with the banks as security amounting to ₹1,079.68 millions (31 March 2022: ₹1,199.67 millions)
- (c) Inter-alia, includes amounts held in unpaid dividend account with the banks amounting to ₹15.37 millions (31 March 2022: ₹5.13 millions)

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

(Amount in ₹ millions, except otherwise stated)

## 18 Share capital

|                                                                                                                      | As at<br>31 March 2023 | As at<br>31 March 2022 |
|----------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| <b>Authorised</b>                                                                                                    |                        |                        |
| 10,00,00,000 equity shares of ₹10 each (31 March 2022: 10,00,00,000)                                                 | 1,000.00               | 1,000.00               |
| 1,40,00,000 0.01% compulsorily convertible non-cumulative preference shares of ₹10 each (31 March 2022: 1,40,00,000) | 140.00                 | 140.00                 |
|                                                                                                                      | <b>1,140.00</b>        | <b>1,140.00</b>        |
| <b>Issued, subscribed and paid up</b>                                                                                |                        |                        |
| 5,58,49,653 equity shares of ₹10 each (31 March 2022: 5,31,86,112)                                                   | 558.50                 | 531.86                 |
| 1,32,96,153 0.01% compulsorily convertible non-cumulative preference shares of ₹10 each (31 March 2022: 1,32,96,153) | 132.96                 | 132.96                 |
|                                                                                                                      | <b>691.46</b>          | <b>664.82</b>          |

### (a) Reconciliation of shares outstanding at the beginning and at the end of the reporting period:

|                                                                        | 31 March 2023       |               | 31 March 2022       |               |
|------------------------------------------------------------------------|---------------------|---------------|---------------------|---------------|
|                                                                        | Number of<br>shares | Amount        | Number of<br>shares | Amount        |
| <b>Equity shares</b>                                                   |                     |               |                     |               |
| Balance as at the beginning of the year                                | 5,31,86,112         | 531.86        | 5,31,86,112         | 531.86        |
| Add: Shares issued during the year                                     | 26,63,541           | 26.64         | -                   | -             |
| Balance as at the end of the year                                      | <b>5,58,49,653</b>  | <b>558.50</b> | <b>5,31,86,112</b>  | <b>531.86</b> |
| <b>Instruments entirely equity in nature</b>                           |                     |               |                     |               |
| <b>0.01% compulsorily convertible non-cumulative preference shares</b> |                     |               |                     |               |
| Balance as at the beginning of the year                                | 1,32,96,153         | 132.96        | 1,32,96,153         | 132.96        |
| Add: Shares issued during the year                                     | -                   | -             | -                   | -             |
| Balance as at the end of the year                                      | <b>1,32,96,153</b>  | <b>132.96</b> | <b>1,32,96,153</b>  | <b>132.96</b> |

### (b) Terms and rights attached to shares

#### Rights, preferences and restrictions attached to equity shares

The Holding Company has a single class of equity shares having face value of ₹10/- each. Accordingly, all equity shares rank equally with regard to dividends and share in the Holding Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Holding Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. Failure to pay any amount called up on shares may lead to forfeiture of the shares. On winding up of the Holding Company, the holders of equity shares will be entitled to receive the residual assets of the Holding Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

#### Rights, preferences and restrictions attached to compulsorily convertible non-cumulative preference shares

Compulsorily convertible non-cumulative preference shares were issued at par on 8 October 2014 and each share is convertible into one equity share of par value ₹10 at any time on or after 8 October 2014 but not later than 7 October 2034. The Board of Directors of the Holding Company have the power to decide the appropriate mechanism for transfer/buy back of these shares, in case the same is exercised by the holder of such preference shares. The holders of these shares are entitled to a non-cumulative dividend of 0.01% of the face value of the preference shares. The holders of the preference shares are also entitled to participate in dividend and capital distributed by the Holding Company over and above the preference dividend on as-if converted basis pari passu with the holders of the equity shares of the Holding Company.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

(Amount in ₹ millions, except otherwise stated)

## 18 Share capital (Contd.)

Preference shares carry a preferential right as to dividend over equity shareholders. Where dividend on preference shares is not declared for a financial year, the entitlement thereto in the case of non-cumulative preference shares for that year lapses. The preference shares are entitled to one vote per share at meetings of the Holding Company on any resolutions of the Holding Company directly affecting their rights as mentioned in their shareholder agreement. In the event of liquidation, preference shareholders have a preferential right over equity shareholders to be repaid to the extent of capital paid-up on such shares.

### (c) Particulars of shareholders holding more than 5% shares of a class of shares

|                                                                                                                                 | 31 March 2023      |                   | 31 March 2022      |                   |
|---------------------------------------------------------------------------------------------------------------------------------|--------------------|-------------------|--------------------|-------------------|
|                                                                                                                                 | Number of shares   | % of shareholding | Number of shares   | % of shareholding |
| <b>(i) Equity shares</b>                                                                                                        |                    |                   |                    |                   |
| <b>Equity shares of ₹10 each fully paid up, held by:</b>                                                                        |                    |                   |                    |                   |
| Jai Hanuman Shri Siddhivinayak Trust<br>[Trustees – Mr. Suvankar Sen, Mrs. Joita Sen (with effect from (w.e.f.) 14 April 2021)] | 3,44,36,529        | 61.66%            | 3,44,36,529        | 64.75%            |
| Om Gaan Ganpataye Bajrangbali Trust<br>[Trustees – Mr. Suvankar Sen and Mrs. Ranjana Sen (w.e.f. 14 April 2021)]                | 53,34,246          | 9.55%             | 53,34,246          | 10.03%            |
| Legal heir(s) of late Mr. Sankar Sen (*)                                                                                        | –                  | –                 | 56,94,603          | 10.71%            |
| Mr. Suvankar Sen                                                                                                                | 1,18,90,968        | 21.29%            | 61,96,365          | 11.65%            |
|                                                                                                                                 | <b>5,16,61,743</b> | <b>92.50%</b>     | <b>5,16,61,743</b> | <b>97.14%</b>     |

(\*) As at 31 March 2022 a the management was in the process of transferring these shares to the legal heirs of Late Mr. Sankar Sen, post his demise on 28 July 2020. During the current year ended 31 March 2023 those shares have been transmitted in the name of Mr Suvankar Sen.

|                                                                        | 31 March 2023    |                   | 31 March 2022    |                   |
|------------------------------------------------------------------------|------------------|-------------------|------------------|-------------------|
|                                                                        | Number of shares | % of shareholding | Number of shares | % of shareholding |
| <b>(ii) Instruments entirely equity in nature</b>                      |                  |                   |                  |                   |
| <b>0.01% compulsorily convertible non-cumulative preference shares</b> |                  |                   |                  |                   |
| SAIF Partners India IV Limited, Mauritius                              | 1,32,96,153      | 100.00%           | 1,32,96,153      | 100.00%           |

### (d) Shareholding of promoters are as follows:

| Promoter Name                                                                                                                   | No. of shares | % of total shares | % change during the year |
|---------------------------------------------------------------------------------------------------------------------------------|---------------|-------------------|--------------------------|
| <b>As at 31 March 2023</b>                                                                                                      |               |                   |                          |
| Jai Hanuman Shri Siddhivinayak Trust<br>[Trustees – Mr. Suvankar Sen, Mrs. Joita Sen (with effect from (w.e.f.) 14 April 2021)] | 3,44,36,529   | 61.66%            | -3.09%                   |
| Om Gaan Ganpataye Bajrangbali Trust<br>[Trustees – Mr. Suvankar Sen and Mrs. Ranjana Sen (w.e.f. 14 April 2021)]                | 53,34,246     | 9.55%             | -0.48%                   |
| Legal heir(s) of late Mr. Sankar Sen (*)                                                                                        | –             | 0.00%             | -100.00%                 |
| Mr. Suvankar Sen                                                                                                                | 1,18,90,968   | 21.29%            | 91.90%                   |

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

(Amount in ₹ millions, except otherwise stated)

## 18 Share capital (Contd.)

| Promoter Name                                                                                                                      | No. of shares | % of total shares | % change during the year |
|------------------------------------------------------------------------------------------------------------------------------------|---------------|-------------------|--------------------------|
| <b>As at 31 March 2022</b>                                                                                                         |               |                   |                          |
| Jai Hanuman Shri Siddhivinayak Trust<br>[Trustees – Mr. Suvankar Sen, Mrs. Joita Sen<br>(with effect from (w.e.f.) 14 April 2021)] | 3,44,36,529   | 64.75%            | 0.00%                    |
| Om Gaan Ganpataye Bajrangbali Trust<br>[Trustees – Mr. Suvankar Sen and Mrs. Ranjana Sen<br>(w.e.f. 14 April 2021)]                | 53,34,246     | 10.03%            | 0.00%                    |
| Legal heir(s) of late Mr. Sankar Sen (*)                                                                                           | 56,94,603     | 10.71%            | 0.00%                    |
| Mr. Suvankar Sen                                                                                                                   | 61,96,365     | 11.65%            | 0.00%                    |

(\*) As at 31 March 2022 a the management was in the process of transferring these shares to the legal heirs of Late Mr. Sankar Sen, post his demise on 28 July 2020. During the current year ended 31 March 2023 those shares have been transmitted in the name of Mr Suvankar Sen.

### (e) Equity shares reserved for issue under options and contracts/ Commitments for sale of share/ disinvestment:

|                                                                                          | Number      | Amount |
|------------------------------------------------------------------------------------------|-------------|--------|
| <b>As at 31 March 2023:</b>                                                              |             |        |
| - 0.01% Compulsorily convertible non-cumulative preference shares [refer note (b) above] | 1,32,96,153 | 132.96 |
| - Employee's share based payment plans (refer note 40)                                   | 1,62,100    | 1.62   |
| <b>As at 31 March 2022 [refer note (b) above]</b>                                        |             |        |
| - 0.01% Compulsorily convertible non-cumulative preference shares [refer note (b) above] | 1,32,96,153 | 132.96 |
| - Employee's share based payment plans (refer note 40)                                   | 1,81,600    | 1.82   |

(f) Ordinary Shares allotted as fully paid pursuant to contract(s) without payment being received in cash during the period of immediately preceding five years: Nil

(g) For the period of five years immediately preceding the date as at which the Balance Sheet is prepared aggregate number and class of shares allotted as fully paid-up by way of bonus shares:

|                                                                   | Number      | Amount |
|-------------------------------------------------------------------|-------------|--------|
| <b>Year ended 31 March 2019</b>                                   |             |        |
| - Equity shares (refer note below)                                | 3,54,57,408 | 354.57 |
| - 0.01% compulsorily convertible non-cumulative preference shares | 88,64,102   | 88.64  |

#### Note:

The Board of Directors of the Holding Company at its meeting held on 3 March 2018 had recommended issue of bonus shares, subject to the approval of shareholders in their ensuing general meeting, in the ratio of two equity shares of ₹10 each for every one equity share of ₹10 each and two compulsorily convertible non-cumulative preference shares of ₹10 each for every one compulsorily convertible non-cumulative preference share of ₹10 each of the Holding Company as held by the shareholders as on the record date. The issue of bonus shares was approved by the shareholders of the Holding Company in the Extra Ordinary General Meeting held on 28 March 2018, by way of special resolution, and accordingly, the Holding has allotted 3,54,57,408 equity shares of ₹10 each and 8,864,102 compulsorily convertible non-cumulative preference shares of ₹10 each on 6 May 2018 to their shareholders.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

(Amount in ₹ millions, except otherwise stated)

## 19 Other equity

|                                                               | As at<br>31 March 2023 | As at<br>31 March 2022 |
|---------------------------------------------------------------|------------------------|------------------------|
| <b>Reserves and surplus</b>                                   |                        |                        |
| Securities premium                                            | 1,037.71               | 314.35                 |
| General reserve                                               | 153.64                 | 153.64                 |
| Share based payment reserve                                   | 4.37                   | 0.86                   |
| Special economic re-investment reserve                        | 1.15                   | 1.15                   |
| Retained earnings                                             | 7,565.86               | 6,124.60               |
| <b>Other comprehensive income</b>                             |                        |                        |
| Equity instruments through other comprehensive income ('OCI') | 1.01                   | 0.25                   |
|                                                               | <b>8,763.74</b>        | <b>6,594.85</b>        |

The description, nature and purpose of each reserve within other equity are as follows:

- (a) **Security premium:** Security premium is credited when shares are issued at premium. It is utilised in accordance with the provisions of the Companies Act, 2013.
- (b) **General reserve:** The Group had transferred a portion of the net profit of the Group before declaring dividend to general reserve pursuant to the erstwhile provisions of the Companies Act, 1956. Consequent to the introduction of the Companies Act, 2013, there is no such requirement to mandatorily transfer a specified percentage of net profit to general reserve.
- (c) **Share based payment reserve:** This represents the fair value of the stock options granted by the Group, accumulated over the vesting period. The reserve will be utilised on exercise of the options.
- (d) **Special economic re-investment reserve:** It has been created for the purpose of acquiring machinery or plant which is put to use before the expiry of three years following the previous year in which the reserve was created.
- (e) **Retained earnings:** Retained earnings represents the profits earned by the Group till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.
- (f) **Equity instruments through OCI:** The Group has elected to recognise changes in the fair value of certain investments in equity instruments in other comprehensive income. These changes are accumulated within the equity instruments through OCI shown under the head other equity.
- (g) **Cash flow hedge reserve:** Represents effective portion of cumulative change in fair value of hedging instrument, for which the highly probable forecasted purchase will occur in future.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

(Amount in ₹ millions, except otherwise stated)

## 20 Borrowings

|                                                           | As at<br>31 March 2023 | As at<br>31 March 2022 |
|-----------------------------------------------------------|------------------------|------------------------|
| <b>Non - current</b>                                      |                        |                        |
| Vehicle loans (secured):                                  |                        |                        |
| - from financial institutions [refer note (a) below]      | -                      | 3.28                   |
| - from bank [refer note (a) below]                        | -                      | 1.92                   |
| Other term loans (unsecured)                              | 17.75                  | -                      |
|                                                           | <b>17.75</b>           | <b>5.20</b>            |
| Less: Current maturities of vehicle loans                 | -                      | 1.25                   |
| Less: Current maturities of term loans                    | 3.49                   | -                      |
|                                                           | <b>14.26</b>           | <b>3.95</b>            |
| <b>Current</b>                                            |                        |                        |
| Loans repayable on demand from banks:                     |                        |                        |
| - Cash credit facilities (secured) [refer note (b) below] | 2,248.04               | 1,593.20               |
| - Short term demand loan (secured) [refer note (c) below] | 3,129.86               | 2,717.73               |
| Other loans from banks:                                   |                        |                        |
| - Gold metal loans (secured) [refer note (d) below]       | 6,376.09               | 4,313.54               |
| Current maturities of non-current borrowings:             |                        |                        |
| - Vehicle loans                                           | -                      | 1.25                   |
| - Other term loans                                        | 3.49                   | -                      |
|                                                           | <b>11,757.48</b>       | <b>8,625.72</b>        |

### Notes:

(a) Repayment terms (including current maturities) and security details of the borrowings:

| Name of the lender                                                   | Original date of maturity | Number of instalment | Value of each instalment (₹) | Balance as at |               |
|----------------------------------------------------------------------|---------------------------|----------------------|------------------------------|---------------|---------------|
|                                                                      |                           |                      |                              | 31 March 2023 | 31 March 2022 |
| <b>Vehicle loans from:</b>                                           |                           |                      |                              |               |               |
| - HDFC Bank Limited (*)<br>(RoI: 9.25% p.a.)                         | 05 May 2022               | 60                   | 2,63,575                     | -             | 0.52          |
| - HDFC Bank Limited (*)<br>(RoI: 8.75% p.a.)                         | 05 September 2022         | 60                   | 42,326                       | -             | 0.24          |
| - BMW Financial Services Private Limited(*) (#)<br>(RoI: 9.85% p.a.) | 16 September 2023         | 48                   | 47,759                       | -             | 3.29          |
| - HDFC Bank Limited (*)<br>(RoI:10.75% p.a.)                         | 07 June 2026              | 60                   | 28,103                       | -             | 1.15          |
|                                                                      |                           |                      |                              | -             | <b>5.20</b>   |

(\*) Vehicle loans are secured by way of hypothecation of the vehicles financed there against.

(#) These loans have been foreclosed by the Group in February 2023.

(b) Cash credit facilities from banks carry interest ranging between 8.00% p.a., - 11.50% p.a. (31 March 2022: 8.00% p.a. - 10.75% p.a.), computed on a daily basis on the actual amount utilised, and are repayable on demand. These are secured by way of hypothecation of the Holding Company's entire inventories and such other movables including book debts, bills whether documentary or clean, outstanding monies, receivables, both present and future, pertaining to all shops and showrooms of the Holding Company, entire property, plant and equipments, present and future, except for land and building not provided as collateral in a form and manner satisfactory to the bank. The loan is also secured by the unconditional and irrevocable personal guarantees given by Mrs. Joita Sen (Director) and Mr. Suvankar Sen (Managing Director and Chief Executive Officer).

## Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

(Amount in ₹ millions, except otherwise stated)

### 20 Borrowings (Contd.)

- (c) Short-term demand loan (working capital demand loan) has been availed from Banks for financing of the working capital requirement for a period of 60 – 90 days. The rate of interest on the facilities is ranging between 7.50% p.a., – 11.40% p.a. (31 March 2022: 9.00% p.a. – 12.00% p.a) fixed and shall be payable at monthly rests on the 1<sup>st</sup> day of the subsequent month/maturity, wherever applicable. The security for the facilities is personal guarantees of Mrs. Joita Sen (Director) and Mr. Suvankar Sen (Managing Director and Chief Executive Officer).
- (d) Gold metal loans carry interest ranging between 2.75% p.a. – 4.25% p.a. (31 March 2022: 2.75% p.a. – 4.98% p.a), calculated on the quantum of ounce outstanding. These are repayable within 270 days, if the end use of bullion is for export purposes and within 180 days if the end use of bullion is for domestic purposes. These loans are secured by standby letter of credits provided by the issuing bank to the bullion bank, earmarked cash credit limits, fixed deposits and margin account balances with an excess value of margin money of 1% – 12%.
- (e) There has been no default in repayment of principal amount or interest thereon.

### 21 Lease liabilities

|                                  | As at<br>31 March 2023 | As at<br>31 March 2022 |
|----------------------------------|------------------------|------------------------|
| <b>Non-current</b>               |                        |                        |
| Lease obligations (refer note 7) | 1,884.02               | 1,451.03               |
|                                  | <b>1,884.02</b>        | <b>1,451.03</b>        |
| <b>Current</b>                   |                        |                        |
| Lease obligations (refer note 7) | 213.51                 | 178.61                 |
|                                  | <b>213.51</b>          | <b>178.61</b>          |

### 22 Other financial liabilities

|                                              | As at<br>31 March 2023 | As at<br>31 March 2022 |
|----------------------------------------------|------------------------|------------------------|
| <b>Non - current</b>                         |                        |                        |
| Security deposits                            | 6.19                   | 8.38                   |
|                                              | <b>6.19</b>            | <b>8.38</b>            |
| <b>Current</b>                               |                        |                        |
| Creditor for capital goods                   | 97.20                  | 14.41                  |
| Accrued salaries and benefits                | 141.61                 | 126.34                 |
| Interest accrued on borrowings               | 20.96                  | 18.88                  |
| Unpaid dividends (*)                         | 15.38                  | 5.13                   |
| Mark to market loss on gold future contracts | 194.01                 | -                      |
| Accrued expenses (#)                         | 233.15                 | 170.93                 |
|                                              | <b>702.31</b>          | <b>335.69</b>          |

(\*) These are not yet due for credit into the Investor Education and Protection Fund, in accordance with Section 124 of the Act, as at the year end.

(#) These are not yet due as on the reporting date.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

(Amount in ₹ millions, except otherwise stated)

## 23 Provisions

|                                  | As at<br>31 March 2023 | As at<br>31 March 2022 |
|----------------------------------|------------------------|------------------------|
| <b>Non - current</b>             |                        |                        |
| Provision for employee benefits: |                        |                        |
| Gratuity (refer note 39)         | 6.32                   | 0.73                   |
|                                  | <b>6.32</b>            | <b>0.73</b>            |
| <b>Current</b>                   |                        |                        |
| Provision for employee benefits: |                        |                        |
| Compensated absences             | 20.20                  | 12.96                  |
|                                  | <b>20.20</b>           | <b>12.96</b>           |

## 24 Other liabilities

|                                                                   | As at<br>31 March 2023 | As at<br>31 March 2022 |
|-------------------------------------------------------------------|------------------------|------------------------|
| <b>Non - current</b>                                              |                        |                        |
| Deferred income                                                   | 1.76                   | 0.12                   |
| Deposits received from customers under jewellery purchase schemes | 243.43                 | -                      |
|                                                                   | <b>245.19</b>          | <b>0.12</b>            |
| <b>Current</b>                                                    |                        |                        |
| Advance from customers                                            | 964.74                 | 591.98                 |
| Deposits received from customers under jewellery purchase schemes | 1,919.38               | 1,013.94               |
| Liability towards customer loyalty program                        | 189.36                 | 124.56                 |
| Statutory dues payable                                            | 22.61                  | 21.31                  |
| Deferred income                                                   | 0.54                   | -                      |
| Contract liabilities (*)                                          | 52.24                  | 60.46                  |
|                                                                   | <b>3,148.87</b>        | <b>1,812.25</b>        |

### Note:

(\*) Contract liability represents the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied as of the end of the reporting period. Thus, it represents the value of sales the Group estimates to be returned on account of sales return.

## 25 Trade payables

|                                                                                        | As at<br>31 March 2023 | As at<br>31 March 2022 |
|----------------------------------------------------------------------------------------|------------------------|------------------------|
| Total outstanding dues of micro enterprises and small enterprises                      | 197.54                 | 124.59                 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises |                        |                        |
| - Acceptances (**)                                                                     | 250.51                 | 116.94                 |
| - Other than acceptances                                                               | 996.54                 | 932.70                 |
|                                                                                        | <b>1,444.59</b>        | <b>1,174.23</b>        |

### Note:

(\*\*) The Group enters into deferred payment arrangements (acceptances) wherein dues to micro, small and medium enterprises ('MSME') are paid by banks, which is subsequently settled by the Group at a later date. Interest borne on such arrangements is accounted for as finance cost.

## Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

(Amount in ₹ millions, except otherwise stated)

### 25 Trade payables (Contd.)

#### (b) Trade payables ageing:

| Particulars                | Outstanding for following periods from due date of payment |             |             |                   |                 |
|----------------------------|------------------------------------------------------------|-------------|-------------|-------------------|-----------------|
|                            | Less than 1 year                                           | 1-2 years   | 2-3 years   | More than 3 years | Total           |
| <b>As at 31 March 2023</b> |                                                            |             |             |                   |                 |
| (i) MSME                   | 197.54                                                     | -           | -           | -                 | 197.54          |
| (ii) Others                | 1,236.84                                                   | 2.61        | 1.64        | 5.96              | 1,247.05        |
| (iii) Disputed dues- MSME  | -                                                          | -           | -           | -                 | -               |
| (iv) Disputed dues- others | -                                                          | -           | -           | -                 | -               |
|                            | <b>1,434.38</b>                                            | <b>2.61</b> | <b>1.64</b> | <b>5.96</b>       | <b>1,444.59</b> |
| <b>As at 31 March 2022</b> |                                                            |             |             |                   |                 |
| (i) MSME                   | 124.59                                                     | -           | -           | -                 | 124.59          |
| (ii) Others                | 1,029.01                                                   | 2.35        | 8.02        | 10.26             | 1,049.64        |
| (iii) Disputed dues- MSME  | -                                                          | -           | -           | -                 | -               |
| (iv) Disputed dues- others | -                                                          | -           | -           | -                 | -               |
|                            | <b>1,153.60</b>                                            | <b>2.35</b> | <b>8.02</b> | <b>10.26</b>      | <b>1,174.23</b> |

### 26 Current tax liabilities (net)

|                                                                                                                                     | As at<br>31 March 2023 | As at<br>31 March 2022 |
|-------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| Provision for tax<br>(net of advance tax and taxes deducted at source of ₹1,626.91 millions)<br>(31 March 2022: ₹1,774.88 millions) | 155.05                 | 138.51                 |
|                                                                                                                                     | <b>155.05</b>          | <b>138.51</b>          |

### 27 Revenue from operations

|                          | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|--------------------------|-----------------------------|-----------------------------|
| Sale of products         | 40,697.48                   | 35,253.92                   |
| Other operating revenue: |                             |                             |
| - Franchisee fees        | 76.56                       | 92.49                       |
|                          | <b>40,774.04</b>            | <b>35,346.41</b>            |

Disclosures pursuant to Ind AS 115 - Revenue from contract with customers, are as follows:

#### (a) Revenue streams

The Group generates revenue primarily from the sale of jewellery and other articles. Other sources of revenue includes income from franchisee fees.

#### (b) Disaggregation of revenue from contracts with customers

The Group has performed a disaggregated analysis of revenues considering the nature, amount, timing and uncertainty of revenues. This includes disclosure of revenues by product lines, timing of revenue recognition and geography:

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

(Amount in ₹ millions, except otherwise stated)

## 27 Revenue from operations (Contd.)

### A. Revenue by product lines and others:

|                                           | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|-------------------------------------------|-----------------------------|-----------------------------|
| Gold jewellery                            | 36,570.88                   | 32,351.42                   |
| Diamond and precious/semi precious stones | 2,760.84                    | 1,885.69                    |
| Silver jewellery and articles             | 390.91                      | 338.10                      |
| Platinum jewellery                        | 829.84                      | 570.05                      |
| Fashion jewellery                         | 96.63                       | 67.83                       |
| Novelty and accessories                   | 48.38                       | 40.83                       |
| Franchisee fees                           | 76.56                       | 92.49                       |
|                                           | <b>40,774.04</b>            | <b>35,346.41</b>            |

### B. Revenue by timing of revenue recognition:

|                                                                               | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|-------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| Goods transferred at a point in time when performance obligation is satisfied | 40,774.04                   | 35,346.41                   |
| <b>Revenue as per operating segment (refer note 44)</b>                       | <b>40,774.04</b>            | <b>35,346.41</b>            |

### C. Revenue by geography:

|                                                         | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|---------------------------------------------------------|-----------------------------|-----------------------------|
| Domestic                                                | 40,075.85                   | 34,857.84                   |
| Export                                                  | 698.19                      | 488.57                      |
| <b>Revenue as per operating segment (refer note 44)</b> | <b>40,774.04</b>            | <b>35,346.41</b>            |

### D. Contract balance

The following table provides information about trade receivables, contract assets and contract liabilities from contracts with customers:

| Particulars                                                                                                                                                      | Note | As at<br>31 March 2023 | As at<br>31 March 2022 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|------------------------|------------------------|
| Receivables, which are included in 'trade receivables' (net of provision)                                                                                        | 15   | 454.22                 | 393.98                 |
| Contract assets                                                                                                                                                  | 13   | 47.77                  | 54.93                  |
| Contract liabilities (includes order advances, liability towards customer loyalty program and deposits received from customers under jewellery purchase schemes) | 24   | 3,369.15               | 1,790.94               |

### E. Reconciliation of revenue recognised in the consolidated Statement of Profit and Loss with the contracted price:

| Particulars                                    | As at<br>31 March 2023 | As at<br>31 March 2022 |
|------------------------------------------------|------------------------|------------------------|
| Sale of products                               | 41,969.57              | 36,225.63              |
| Less: Variable consideration (discounts, etc.) | 1,272.09               | 971.71                 |
|                                                | <b>40,697.48</b>       | <b>35,253.92</b>       |

## Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

(Amount in ₹ millions, except otherwise stated)

### 28 Other income

|                                                                | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|----------------------------------------------------------------|-----------------------------|-----------------------------|
| Interest income on bank deposits                               | 122.22                      | 42.27                       |
| Interest income on financial assets measured at amortised cost | 29.96                       | 17.90                       |
| Net gain on foreign currency transactions and translations     | 20.08                       | 8.11                        |
| Liabilities no longer required, written back                   | 18.35                       | 14.11                       |
| <b>Others:</b>                                                 |                             |                             |
| - Discounting of financial liabilities/provision               | -                           | -                           |
| - Unwinding of discount on financial assets                    | 12.27                       | 11.33                       |
| Gain on lease modification                                     | 13.05                       | -                           |
| Rent concessions from lessors [refer note 7(j)]                | -                           | 29.34                       |
| Ineffective portion of change in fair value of metals          | 94.50                       | -                           |
| Reversal of allowance for expected credit loss                 | -                           | 2.44                        |
| Others                                                         | 0.93                        | 2.19                        |
|                                                                | <b>311.36</b>               | <b>127.69</b>               |

### 29 Cost of materials consumed

|                                                         | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|---------------------------------------------------------|-----------------------------|-----------------------------|
| Inventory of raw materials at the beginning of the year | 1,461.02                    | 2,117.21                    |
| Add: Purchases during the year                          | 30,700.68                   | 27,679.32                   |
| Less: Inventory of raw materials at the end of the year | 2,439.51                    | 1,461.02                    |
|                                                         | <b>29,722.19</b>            | <b>28,335.51</b>            |

### 30 Purchases of stock-in-trade

|                             | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|-----------------------------|-----------------------------|-----------------------------|
| Purchases of stock-in-trade | 8,460.78                    | 5,643.80                    |
|                             | <b>8,460.78</b>             | <b>5,643.80</b>             |

### 31 Changes in inventories of finished goods and stock-in-trade

|                                      | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|--------------------------------------|-----------------------------|-----------------------------|
| <b>Opening stock</b>                 |                             |                             |
| - Finished goods                     | 9,701.83                    | 6,406.86                    |
| - Stock-in-trade                     | 2,749.60                    | 1,870.66                    |
|                                      | <b>12,451.43</b>            | <b>8,277.52</b>             |
| <b>Less: Closing stock</b>           |                             |                             |
| - Finished goods                     | 11,991.99                   | 9,701.83                    |
| - Stock-in-trade                     | 4,423.07                    | 2,749.60                    |
|                                      | <b>16,415.06</b>            | <b>12,451.43</b>            |
| (Increase) / decrease in Inventories | <b>(3,963.63)</b>           | <b>(4,173.91)</b>           |

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

(Amount in ₹ millions, except otherwise stated)

## 32 Employee benefits expense

|                                                           | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|-----------------------------------------------------------|-----------------------------|-----------------------------|
| Salaries and wages                                        | 829.62                      | 691.77                      |
| Contribution to provident and other funds (refer note 39) | 60.98                       | 33.15                       |
| Share based payment expenses (refer note 40)              | 3.51                        | 0.86                        |
| Staff welfare expenses                                    | 39.69                       | 21.89                       |
|                                                           | <b>933.80</b>               | <b>747.67</b>               |

## 33 Finance costs

|                                              | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|----------------------------------------------|-----------------------------|-----------------------------|
| Interest expense on financial liabilities:   |                             |                             |
| - on working capital loans and term loans    | 378.55                      | 339.51                      |
| - on gold metal loans                        | 163.46                      | 108.98                      |
| - unwinding of discount on security deposits | 0.44                        | 0.59                        |
| Interest on lease liabilities (refer note 7) | 219.01                      | 190.41                      |
| Interest on income-tax                       | 12.83                       | 11.77                       |
| Other borrowing costs                        | 86.24                       | 57.53                       |
|                                              | <b>860.53</b>               | <b>708.79</b>               |

## 34 Depreciation and amortisation expense

|                                                              | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|--------------------------------------------------------------|-----------------------------|-----------------------------|
| Depreciation of property, plant and equipment (refer note 5) | 166.08                      | 170.99                      |
| Depreciation of right-of-use assets (refer note 7)           | 282.41                      | 241.60                      |
| Amortisation of intangible assets (refer note 8)             | 7.04                        | 8.56                        |
|                                                              | <b>455.53</b>               | <b>421.15</b>               |

## Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

(Amount in ₹ millions, except otherwise stated)

### 35 Other expenses

|                                                           | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|-----------------------------------------------------------|-----------------------------|-----------------------------|
| Advertising and sales promotion                           | 810.36                      | 505.82                      |
| Assets written off                                        | 3.54                        | -                           |
| Job work charges                                          | 651.96                      | 705.57                      |
| Packing materials consumed                                | 44.47                       | 42.11                       |
| Rent                                                      | 57.96                       | 50.81                       |
| Repairs and maintenance:                                  |                             |                             |
| - plant and equipments                                    | 15.01                       | 10.68                       |
| - buildings                                               | 19.16                       | 16.25                       |
| - others                                                  | 170.86                      | 119.35                      |
| Travelling expenses                                       | 30.48                       | 15.47                       |
| Electricity charges                                       | 70.75                       | 54.58                       |
| Legal and professional                                    | 52.51                       | 59.30                       |
| Brokerage and commission                                  | 10.59                       | 16.45                       |
| Bank charges                                              | 121.50                      | 94.28                       |
| Insurance                                                 | 35.22                       | 24.39                       |
| Fair value loss on commodity hedging contracts            | 54.06                       | -                           |
| Loss on disposal of property, plant and equipment         | -                           | -                           |
| Rates and taxes                                           | 88.69                       | 49.49                       |
| Payment to auditors [refer note (a) below]                | 4.34                        | 2.79                        |
| Corporate social responsibility expenses                  | 26.50                       | 22.10                       |
| Allowance for expected credit loss                        | 2.45                        | -                           |
| Bad debt written off                                      | 1.00                        | -                           |
| Security expenses                                         | 124.74                      | 98.11                       |
| Security deposit written off                              | 12.11                       | -                           |
| Ineffective portion of change in fair value of gold loans | -                           | 94.89                       |
| Miscellaneous expenses                                    | 46.42                       | 39.06                       |
|                                                           | <b>2,454.68</b>             | <b>2,021.50</b>             |

#### Note:

(a) Payments to auditors (excluding applicable taxes) (\*)

|                               | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|-------------------------------|-----------------------------|-----------------------------|
| Auditors                      | 3.50                        | 2.40                        |
| For other services            | 0.65                        | 0.30                        |
| For reimbursement of services | 0.19                        | 0.09                        |
|                               | <b>4.34</b>                 | <b>2.79</b>                 |

(\*) During the year ₹10.16 million (31 March 2022: ₹4.00 million) has been paid to the auditor in reference to the initial public offer related work, inter alia, including fees for special purpose audits, audit of restated consolidated financial information and certain other certifications. These expenses have been recorded under other current assets and will be adjusted in accordance with the accounting policy.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

(Amount in ₹ millions, except otherwise stated)

## 36 Tax expenses

### A. Tax expense recognised in the Consolidated Statement of Profit and Loss

|                     | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|---------------------|-----------------------------|-----------------------------|
| <b>Current tax:</b> |                             |                             |
| - Current years     | 634.74                      | 494.94                      |
| - Earlier years     | (21.38)                     | 0.57                        |
| Deferred tax        | (36.63)                     | (16.94)                     |
|                     | <b>576.73</b>               | <b>478.57</b>               |

### B. The major component of the reconciliation of expected tax expense based on the domestic effective tax rate of the Group and the reported tax expense in the consolidated Statement of Profit and Loss are as follows:

|                                                           | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|-----------------------------------------------------------|-----------------------------|-----------------------------|
| Profit before tax                                         | 2,161.52                    | 1,769.59                    |
| Enacted tax rates in India (%)                            | 25.17%                      | 25.17%                      |
| Computed tax expense                                      | 544.01                      | 445.37                      |
| Effect of non-deductible expenses                         | 54.10                       | 32.63                       |
| Prior year taxes                                          | (21.38)                     | 0.57                        |
| Total tax expense as per the Statement of Profit and Loss | <b>576.73</b>               | <b>478.57</b>               |

### C. The following tables provides the details of income-tax assets and current tax liabilities:

|                                                | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|------------------------------------------------|-----------------------------|-----------------------------|
| Advance tax (refer note 12)                    | 184.87                      | 168.59                      |
| Provision for tax (refer note 26)              | (155.05)                    | (138.51)                    |
| <b>Net position (income-tax asset)</b>         | <b>29.82</b>                | <b>30.08</b>                |
| <b>a. Income-tax assets</b>                    |                             |                             |
| Opening balance                                | 180.36                      | 185.18                      |
| Add:- Tax deducted at source during the period | 0.44                        | -                           |
| Prior year taxes                               | 4.07                        | (0.57)                      |
| Transfer from current tax liabilities          | -                           | (4.25)                      |
| Less: Refunds received                         | -                           | -                           |
|                                                | <b>184.87</b>               | <b>180.36</b>               |
| <b>b. Current tax liabilities</b>              |                             |                             |
| Opening balance                                | 138.51                      | 31.15                       |
| Provision for tax                              | 647.57                      | 506.71                      |
| Advance tax paid during the year               | (485.00)                    | (375.60)                    |
| Tax deducted at source during the year         | (34.65)                     | (19.47)                     |
| Self assessment tax paid                       | (90.00)                     | -                           |
| Prior year taxes                               | (21.38)                     | -                           |
| Transferred to income-tax assets               | -                           | (4.28)                      |
|                                                | <b>155.05</b>               | <b>138.51</b>               |
| <b>Net position</b>                            | <b>29.82</b>                | <b>41.85</b>                |

## Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

(Amount in ₹ millions, except otherwise stated)

### 37 Earnings per equity share (EPS)

#### i. (a) Weighted average number of equity shares of ₹10 each for basic earnings per share:

|                                                                                                                               |                   | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|-------------------------------------------------------------------------------------------------------------------------------|-------------------|-----------------------------|-----------------------------|
| Number of equity shares at the end of the year                                                                                | (A)               | 5,58,05,748                 | 5,31,86,112                 |
| Effect of compulsorily convertible non-cumulative preference shares                                                           | (B)               | 1,32,96,153                 | 1,32,96,153                 |
| Weighted average number of equity shares outstanding at the end of the year for calculating basic earning per equity          | [C = (A) + (B)]   | 6,91,01,901                 | 6,64,82,265                 |
| Add: Stock options granted to employees (refer note 40)                                                                       | (D)               | 1,81,648                    | 1,81,600                    |
| Weighted average number of equity shares outstanding at the end of the year for calculating diluted earnings per equity share | [(E) = (C) + (D)] | 6,92,83,549                 | 6,66,63,865                 |
| ii. Net profit for the year                                                                                                   | (F)               | 1,584.79                    | 1,291.02                    |
| iii. Basic earnings per equity share (₹)                                                                                      | (F) / (C)         | 22.93                       | 19.42                       |
| iv. Diluted earnings per equity share (₹)                                                                                     | (F) / (E)         | 22.87                       | 19.37                       |

### 38 Dividend on shares

|                                                                                                                  | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|------------------------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| <b>Dividend on shares declared and paid during the year</b>                                                      |                             |                             |
| Interim dividend on equity shares @ ₹1.50/share for the year ended 31 March 2023(0.50 and 1.00 per share)        | 83.77                       | -                           |
| Interim dividend on preference shares @ ₹1.501/share for the year ended 31 March 2023 (0.501 and 1.01 per share) | 19.97                       | -                           |
| Final dividend on equity shares @ ₹0.50/share for the year ended 31 March 2022                                   | 27.92                       | -                           |
| Final dividend on preference shares @ ₹0.501/share for the year ended 31 March 2022                              | 6.66                        | -                           |
| Interim dividend on equity shares @ ₹1/share for the year ended 31 March 2022                                    | -                           | 53.19                       |
| Interim dividend on preference shares @ ₹1.1001/share for the year ended 31 March 2022                           | -                           | 13.31                       |
|                                                                                                                  | <b>138.32</b>               | <b>66.50</b>                |

### 39 Employee benefits

#### Defined contribution plans

The Group makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund, which is a defined contribution plan. The Group has no obligations other than to make the specified contributions. The contributions are charged to the consolidated Statement of Profit and Loss as they accrue. The amount recognised as an expense towards contribution to Provident and Pension Fund for the year aggregated to ₹52.55 millions (31 March 2022: ₹36.08 millions)

#### Defined benefit plans

The Group operates one post-employment defined benefit plans (i.e., gratuity). The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive 15 days basic salary for each year of completed service at the time of retirement/exit. Gratuity scheme is funded by the plan assets.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

(Amount in ₹ millions, except otherwise stated)

## 39 Employee benefits (Contd.)

### Inherent risk

The plan is defined benefit in nature which is sponsored by the Group and hence it underwrites all the risk pertaining to the plan. In particular, this exposes the Group, to actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature, the plan is not subject to longevity risk.

|                                               | As at<br>31 March 2023 | As at<br>31 March 2022 |
|-----------------------------------------------|------------------------|------------------------|
| Net defined benefit obligation (Gratuity)     | 60.35                  | 43.34                  |
| Net defined benefit asset (Gratuity)          | (54.03)                | (42.61)                |
| Liability recognised in Balance Sheet         | <b>6.32</b>            | <b>0.73</b>            |
| Non-current                                   | 6.32                   | 0.73                   |
| Current                                       | -                      | -                      |
| Net liability recognised in the balance sheet | <b>6.32</b>            | <b>0.73</b>            |

The following tables analyse present value of defined benefit obligations, expense recognised in the consolidated Statement of Profit and Loss, actuarial assumptions and other information.

|                                                                             | As at<br>31 March 2023 | As at<br>31 March 2022 |
|-----------------------------------------------------------------------------|------------------------|------------------------|
| <b>(I) Reconciliation of present value of defined benefit obligation</b>    |                        |                        |
| (a) Balance at the beginning of the year                                    | 43.34                  | 38.69                  |
| (b) Current service cost                                                    | 12.67                  | 9.18                   |
| (c) Interest cost                                                           | 2.99                   | 2.77                   |
| (d) Benefits paid                                                           | (4.55)                 | (1.52)                 |
| (e) Actuarial (gains) / loss recognised in Other Comprehensive Income:      |                        |                        |
| - change in financial assumptions                                           | 0.21                   | (3.17)                 |
| - experience adjustments                                                    | 5.69                   | (2.61)                 |
| <b>Balance at the end of the year</b>                                       | <b>60.35</b>           | <b>43.34</b>           |
| <b>(II) Reconciliation of present value of plan assets</b>                  |                        |                        |
| (a) Balance at the beginning of the year                                    | 42.61                  | 30.43                  |
| (b) Interest income                                                         | 3.10                   | 2.22                   |
| (c) Employer contributions                                                  | 13.92                  | 12.05                  |
| (d) Benefits paid                                                           | (4.54)                 | (1.52)                 |
| (e) Return on plan assets recognised in Other Comprehensive Income          | (1.06)                 | (0.57)                 |
| <b>Balance at the end of the year</b>                                       | <b>54.03</b>           | <b>42.61</b>           |
| <b>(III) Net liability recognised in the Balance Sheet</b>                  |                        |                        |
| (a) Present value of defined benefit obligation                             | (60.35)                | (43.34)                |
| (b) Fair value of plan assets                                               | 54.03                  | 42.61                  |
| <b>Net defined benefit obligations in the Balance Sheet</b>                 | <b>(6.32)</b>          | <b>(0.73)</b>          |
| <b>(IV) Expense recognised in consolidated Statement of Profit and Loss</b> |                        |                        |
| (a) Current service costs                                                   | 12.67                  | 9.18                   |
| (b) Interest costs                                                          | 2.99                   | 2.77                   |
| (c) Expected return on plan assets                                          | (3.10)                 | (2.22)                 |
| (d) Past service costs                                                      | -                      | -                      |
| <b>Expense recognised in the consolidated Statement of Profit and Loss</b>  | <b>12.56</b>           | <b>9.73</b>            |

## Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

(Amount in ₹ millions, except otherwise stated)

### 39 Employee benefits (Contd.)

|                                                                  | As at<br>31 March 2023     | As at<br>31 March 2022     |
|------------------------------------------------------------------|----------------------------|----------------------------|
| <b>(V) Remeasurements recognised in OCI</b>                      |                            |                            |
| (a) Actuarial loss on defined benefit obligation                 | 5.90                       | (5.78)                     |
| (b) Return on plan asset excluding interest income               | 1.06                       | 0.57                       |
| <b>Amount recognised in OCI</b>                                  | <b>6.96</b>                | <b>(5.21)</b>              |
| <b>(VI) Plan assets:</b>                                         |                            |                            |
| Plan assets comprise the following:                              |                            |                            |
| (a) Invested with Life Insurance Corporation of India (100%)     | 54.03                      | 42.61                      |
|                                                                  | <b>54.03</b>               | <b>42.61</b>               |
| <b>(VII) Maturity profile of the defined benefit obligation:</b> |                            |                            |
| <b>Expected future payments (undiscounted):</b>                  |                            |                            |
| Not later than 1 year                                            | 1.41                       | 0.95                       |
| Later than 1 year and not later than 5 years                     | 4.49                       | 3.15                       |
| More than 5 years                                                | 263.11                     | 194.79                     |
|                                                                  | <b>269.01</b>              | <b>198.89</b>              |
| <b>(VIII) Actuarial assumptions</b>                              |                            |                            |
| Principal actuarial assumptions at the reporting date            |                            |                            |
| (a) Discount rate (%)                                            | 7.28%                      | 7.30%                      |
| (b) Future salary growth (%)                                     | 7.00%                      | 7.00%                      |
| (c) Attrition rate (%)                                           | 16.00%                     | 16.00%                     |
| (d) Retirement age (years)                                       | 60                         | 60                         |
| (e) Expected average remaining working life of employee (years)  | 26                         | 25                         |
| (f) Mortality rate                                               | IALM 2012-2014<br>Ultimate | IALM 2012-2014<br>Ultimate |

#### Note:

- (a) The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.
- (b) Discount rate is based on the prevailing market yield of Indian Government securities as at the year end for the estimated term of the obligation.

#### (IX) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligations by the amounts shown below:

|                                           | 31 March 2023 |          | 31 March 2022 |          |
|-------------------------------------------|---------------|----------|---------------|----------|
|                                           | Increase      | Decrease | Increase      | Decrease |
| (a) Discount rate (0.50% movement)        | (4.95)        | 5.51     | (3.61)        | 4.04     |
| (b) Future salary growth (0.50% movement) | 5.39          | (4.92)   | 3.97          | (3.58)   |
| (c) Attrition rate (0.50% movement)       | (0.16)        | 0.14     | (0.13)        | 0.11     |
| (d) Mortality rate (10% movement)         | (0.01)        | (0.01)   | -             | (0.01)   |

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions as shown.

- (X) The Group expects to contribute ₹16.00 millions to its gratuity plan for the next year.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

(Amount in ₹ millions, except otherwise stated)

## 39 Employee benefits (Contd.)

### (XI) Risk exposure:

Valuation are based on certain assumptions, which are dynamic in nature and may vary over time. As such valuations of the Group is exposed to follow risks -

- Salary increase:** Higher than expected increases in salary will increase the defined benefit obligation.
- Discount rate:** The defined benefit obligation calculated use a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.
- Mortality and disability:** If the actual deaths and disability cases are lower or higher than assumed in the valuation, it can impact the defined benefit obligation.
- Withdrawals:** If the actual withdrawals are higher or lower than the assumed withdrawals or there is a change in withdrawal rates at subsequent valuations, it can impact defined benefit obligation.

## 40 Employee's share based payment plans

### Senco Gold Employee Stock Option Scheme -2018

During the year ended 31 March 2018, the Holding Company implemented its Employee Stock Option Scheme ('the Plan'). The plan was originally approved by the members of the Holding Company on 24 May 2018 and amendments were approved on 25 October 2021. The Plan enables grant of stock options to the eligible employees of the Holding Company. The Plan enables grant of stock options to the eligible employees of the Holding Company not exceeding 1,000,000 options, which is 1.79 % of the paid-up equity share capital of the Holding Company as on 31 March 2023. Further, the stock options to any single employee under the Plan shall not exceed 1% of the issued capital of the Holding Company, at the time of grant of options, during the tenure of the Plan, subject to compliance with Applicable Law. The options granted under the Plan have a maximum vesting period of 4 years.

#### (a) Details of stock options granted:

| Particulars                                | Tranche 2           | Tranche 1           |
|--------------------------------------------|---------------------|---------------------|
| Grant date                                 | 20 July 2022        | 3 February 2022     |
| Vesting date                               | 20 July 2026        | 3 February 2026     |
| Fair value as on Grant date (₹ per option) | 350.00              | 331.00              |
| Exercise price (₹ per option)              | 281.58              | 250.00              |
| Method of valuation                        | Black-Scholes Model | Black-Scholes Model |
| Expected life (years)                      | 4                   | 3                   |
| Expected volatility (%)                    | 54.23%              | 56.52%              |
| Dividend yield (%)                         | 15.00%              | 15.00%              |
| Risk free rate of return (%)               | 6.86%               | 5.35%               |

## Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

(Amount in ₹ millions, except otherwise stated)

### 40 Employee's share based payment plans (Contd.)

#### (b) Movement of options:

| Particulars                                                | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|------------------------------------------------------------|-----------------------------|-----------------------------|
| Balance as at the beginning of the year                    | 1,81,600                    | -                           |
| Options granted during the year                            | 9,500                       | 1,81,600                    |
| Options exercised during the year                          | -                           | -                           |
| Options forfeited during the year                          | -                           | -                           |
| Options lapsed during the year                             | (29,000)                    | -                           |
| <b>Balance as at the end of the year</b>                   | <b>1,62,100</b>             | <b>1,81,600</b>             |
| <b>Number of options exercisable at year end</b>           | <b>-</b>                    | <b>-</b>                    |
| <b>Weighted average remaining contractual life (years)</b> | <b>8.84</b>                 | <b>9.84</b>                 |

(c) During the year ended 31 March 2023, the Holding Company has recognised an expense of ₹3.51 million (31 March 2022 : ₹0.86 million).

**41** Pursuant to the Board Resolution dated 17 December 2022 of Senco Gold Limited, Senco Global Jewellery Trading LLC, has been incorporated in Dubai and Mr. Suvankar Sen, Managing Director and Chief Executive Officer of Senco Gold Limited and Ms Joita Sen, Whole Time Directors of Senco Gold Limited have been appointed as the directors of the aforementioned entity. However, as at 31 March 2023, no capital infusion has been done in this entity and accordingly the aforementioned entity has not been presented/ disclosed as subsidiary of Senco Gold Limited.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

(Amount in ₹ millions, except otherwise stated)

## 42 Related party disclosures (as per Ind AS 24 – Related Party Disclosures)

### A. List of related parties and their relationship

| Nature of relation                                                        | Name of related parties                                                                 |
|---------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|
| Entity having control over the Company                                    | Jai Hanuman Shri Siddhivinayak Trust                                                    |
| Entity having significant influence over the Company                      | SAIF Partners India IV Limited, Mauritius                                               |
| Key management personnel                                                  | Mrs. Ranjana Sen, Director                                                              |
|                                                                           | Mr. Suvankar Sen, Managing Director and Chief Executive Officer (w.e.f. 12 August 2020) |
|                                                                           | Mrs. Joita Sen, Director (w.e.f. 12 August 2020)                                        |
|                                                                           | Mr. Vivek Kumar Mathur, Nominee Director                                                |
|                                                                           | Mr. Bhaskar Sen, Independent Director (w.e.f. 18 September 2021)                        |
|                                                                           | Mr. Kumar Shankar Datta, Independent Director                                           |
|                                                                           | Mr. Shankar Prasad Halder, Independent Director (w.e.f. 03 February 2022)               |
|                                                                           | Mrs. Suman Varma, Independent Director                                                  |
|                                                                           | Mr. Sanjay Banka, Chief Financial Officer (w.e.f. 21 December 2020)                     |
|                                                                           | Mr. Surendra Gupta, Company Secretary and Compliance Officer                            |
| Relatives of key management personnel (*)                                 | Mr. Joydeep Majumder                                                                    |
|                                                                           | Mrs. Kavita Banka                                                                       |
|                                                                           | Mrs. Tapasi Mullick                                                                     |
|                                                                           | Mrs. Anjana Dutta                                                                       |
|                                                                           | Mrs. Arpita Mazumdar                                                                    |
|                                                                           | Mrs. Monisha Mathur                                                                     |
|                                                                           | Mrs. Shyamali Majumder                                                                  |
|                                                                           | Mrs. Aparajita Majumder                                                                 |
| Enterprises controlled by key management personnel or their relatives (*) | Mrs. Arpita Day                                                                         |
|                                                                           | Mangoe Construction Private Limited                                                     |
|                                                                           | P C Sen Charitable Trust                                                                |
|                                                                           | Senco Gold Limited Employee Group Gratuity Trust Fund                                   |
|                                                                           | Om Gaan Ganpataye Bajrangbali Trust                                                     |
|                                                                           | Race Automobiles Private Limited                                                        |
|                                                                           | Ankurhati Gems And Jewellery Manufacturers Welfare Association                          |
|                                                                           | Diamond Prestige Occupants Association                                                  |
|                                                                           | The Gem And Jewellery Export Promotion Council                                          |
|                                                                           | Arpita Agro Products Private Limited                                                    |

(\*) Names of related parties and description of relationship with the Group (where transactions have taken place during the year, except for control relationships where parties are disclosed irrespective of transactions)

## Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

(Amount in ₹ millions, except otherwise stated)

### 42 Related party disclosures (as per Ind AS 24 - Related Party Disclosures) (Contd.)

| Nature of transaction                                                                                                                                                                                                                                                                                                               | Transaction value |               | Balance outstanding |               |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|---------------|---------------------|---------------|
|                                                                                                                                                                                                                                                                                                                                     | 31 March 2023     | 31 March 2022 | 31 March 2023       | 31 March 2022 |
| <b>B. Transactions with entity having control over the Group</b>                                                                                                                                                                                                                                                                    |                   |               |                     |               |
| Dividend paid                                                                                                                                                                                                                                                                                                                       | 68.87             | 34.44         | -                   | -             |
|                                                                                                                                                                                                                                                                                                                                     | <b>68.87</b>      | <b>34.44</b>  | -                   | -             |
| <b>C. Transactions with entity having significant influence over the Group</b>                                                                                                                                                                                                                                                      |                   |               |                     |               |
| Dividend paid                                                                                                                                                                                                                                                                                                                       | 26.63             | 13.31         | -                   | -             |
|                                                                                                                                                                                                                                                                                                                                     | <b>26.63</b>      | <b>13.31</b>  | -                   | -             |
| <b>D. Transactions with key management personnel:</b>                                                                                                                                                                                                                                                                               |                   |               |                     |               |
| Short-term employee benefits (#)                                                                                                                                                                                                                                                                                                    | 62.19             | 45.51         | 16.26               | 8.43          |
| Share based payment expenses                                                                                                                                                                                                                                                                                                        | 1.02              | 0.21          | 1.28                | 0.21          |
| Rent paid                                                                                                                                                                                                                                                                                                                           | 1.67              | 0.54          | 0.30                | 0.05          |
| Director sitting fees                                                                                                                                                                                                                                                                                                               | 3.13              | 1.40          | -                   | 0.32          |
| Reimbursement of expenses                                                                                                                                                                                                                                                                                                           | 3.90              | 0.08          | 1.93                | -             |
| Dividend paid                                                                                                                                                                                                                                                                                                                       | 21.13             | 7.72          | 15.38               | -             |
| Advances received                                                                                                                                                                                                                                                                                                                   | 2.41              | 2.75          | 2.07                | -             |
| Advances adjusted towards sale of products                                                                                                                                                                                                                                                                                          | 0.85              | 3.77          | -                   | 0.03          |
| Sale of goods                                                                                                                                                                                                                                                                                                                       | 6.43              | 8.04          | -                   | -             |
| Purchase of goods                                                                                                                                                                                                                                                                                                                   | 0.40              | 1.16          | -                   | -             |
| Deposits received under jewellery purchase schemes                                                                                                                                                                                                                                                                                  | -                 | -             | -                   | 0.00          |
|                                                                                                                                                                                                                                                                                                                                     | <b>103.13</b>     | <b>71.18</b>  | <b>37.22</b>        | <b>9.04</b>   |
| (#) Compensation of the key management personnel includes salaries and contribution to post-employment defined benefit plan. It does not include gratuity and leave encashment benefits which are actuarially determined on an overall basis for the Group and individual information in respect of the directors is not available. |                   |               |                     |               |
| <b>E. Transactions with relatives of key management personnel:</b>                                                                                                                                                                                                                                                                  |                   |               |                     |               |
| Dividends (including amount payable to the legal heir of Late Mr. Sankar Sen)                                                                                                                                                                                                                                                       | 5.69              | 5.69          | -                   | 5.12          |
| Sale of goods                                                                                                                                                                                                                                                                                                                       | 2.76              | 0.07          | -                   | -             |
| Advances Adjusted Towards Sale Of Products                                                                                                                                                                                                                                                                                          | 0.07              | -             | -                   | -             |
| Purchase of goods                                                                                                                                                                                                                                                                                                                   | 0.72              | -             | -                   | -             |
| Advance Received                                                                                                                                                                                                                                                                                                                    | 0.08              | -             | 0.01                | -             |
| Rent paid                                                                                                                                                                                                                                                                                                                           | 1.26              | 0.75          | 0.30                | 0.05          |
| Repairs and maintenance                                                                                                                                                                                                                                                                                                             | 0.12              | 0.14          | 0.00                | -             |
|                                                                                                                                                                                                                                                                                                                                     | <b>10.70</b>      | <b>6.65</b>   | <b>0.31</b>         | <b>5.17</b>   |

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

(Amount in ₹ millions, except otherwise stated)

## 42 Related party disclosures (as per Ind AS 24 – Related Party Disclosures) (Contd.)

| Nature of transaction                                                                              | Transaction value |               | Balance outstanding |               |
|----------------------------------------------------------------------------------------------------|-------------------|---------------|---------------------|---------------|
|                                                                                                    | 31 March 2023     | 31 March 2022 | 31 March 2023       | 31 March 2022 |
| <b>F. Transactions with enterprises controlled by key management personnel or their relatives:</b> |                   |               |                     |               |
| Rent paid                                                                                          | 38.73             | 34.93         | 1.21                | 0.37          |
| Maintenance and licensee fee paid                                                                  | 12.21             | 11.00         | 8.52                | 4.96          |
| Purchase of goods                                                                                  | 29.10             | 0.12          | 1.38                | 0.12          |
| Dividend paid                                                                                      | 10.67             | 5.34          | -                   | -             |
| Contribution made towards CSR                                                                      | 26.40             | 22.10         | -                   | -             |
| Contribution made towards Employee Gratuity Fund                                                   | 13.92             | 12.21         | -                   | -             |
|                                                                                                    | <b>131.03</b>     | <b>85.70</b>  | <b>11.11</b>        | <b>5.45</b>   |

### Note:

- For personal guarantees given by directors and their relatives, refer note 20.
- There are no material individual transactions that are not in the normal course of business or not on arm's length basis.

**43** Deposits received from customers under jewellery purchase schemes includes provision for discount accrued by the Holding Company amounting to ₹83.51 millions (31 March 2022: 28.28 millions) as per the terms of the respective schemes against which advance has been received from these customers.

## 44 Operating segments

### A. Basis for segmentation

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Group's Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance.

The Group is engaged in the business of manufacture and sale of jewellery and other articles of various designs/specification based on customer's requirements. The Group's manufacturing facilities are located in India and products sold in the domestic and overseas market are manufactured in these facilities. Based on the dominant source and nature of risk and returns of the Group, its internal organisation and management structure and its system of internal financial reporting, business segment has been identified as the primary segment. The Group has only one business segment, viz., sale of jewellery and other articles.

| Particulars                               | 31 March 2023    | 31 March 2022    |
|-------------------------------------------|------------------|------------------|
| Revenue from external customers           |                  |                  |
| India (i.e. entity's country of domicile) | 40,075.85        | 34,857.84        |
| Outside India                             | 698.19           | 488.57           |
| <b>Total segment revenue</b>              | <b>40,774.04</b> | <b>35,346.41</b> |

### B. Major customer

No single customer contributed 10% or more of the total revenue of the Group for the years ended 31 March 2023 and 31 March 2022.

## Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

(Amount in ₹ millions, except otherwise stated)

### 45 Contingent liabilities and commitments

|                                                     | As at<br>31 March 2023 | As at<br>31 March 2022 |
|-----------------------------------------------------|------------------------|------------------------|
| <b>(i) Contingent liabilities</b>                   |                        |                        |
| Claims against the Group not acknowledged as debts: |                        |                        |
| - Income-tax demands (also refer note (c) below)    | 191.62                 | 130.01                 |
| - Central excise                                    | 18.65                  | 18.65                  |
| - Service tax                                       | 21.58                  | 21.58                  |
| - Goods and Service tax                             | -                      | 0.79                   |
|                                                     | <b>231.85</b>          | <b>171.03</b>          |

#### Notes:

- It is not practicable for the Group to estimate the timings of cash outflows, if any, in respect to the above pending resolution of the respective proceedings.
- The amounts disclosed above represent the best possible estimates arrived at on the basis of available information and do not include any penalty payable.
- Pursuant to a search and seizure operation under section 132 of the Income-tax Act, 1961 (hereinafter in this note referred to as the 'IT Act') conducted by the Income-tax department in November 2017, notices under section 153A and section 142(1) of the IT Act were issued for the assessment years 2011-12 to 2017-18 to the Holding Company. Subsequently, the Deputy Commissioner of Income-tax has raised demands amounting to ₹74.56 millions on the Holding Company for the said assessment years. The Holding Company has filed appeal against the said orders. Further, the Deputy Director of Income-tax (Investigation), Unit - 2(1), Kolkata, has filed a criminal complaint against the Holding Company and some of the Key Management Personnel under section 277A of the IT Act. Based on the facts of the matter and an independent assessment done by the Holding Company, the management remains fairly confident of a favorable outcome and therefore, does not foresee any material financial liability devolving on the Holding Company in this respect of the aforementioned demand/ litigation and accordingly, no provision has been made in these consolidated financial statements.

|                                                                                                                         | As at<br>31 March 2023 | As at<br>31 March 2022 |
|-------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| <b>(ii) Commitments:</b>                                                                                                |                        |                        |
| Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advance) | 173.81                 | 26.59                  |
|                                                                                                                         | <b>173.81</b>          | <b>26.59</b>           |

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

(Amount in ₹ millions, except otherwise stated)

## 46 Corporate social responsibility expenses ("CSR"):

As per Section 135 of the Companies Act, 2013, a CSR committee has been formed by the Holding Company. The funds are utilised on the activities which are specified in Schedule VII of the Act. The Holding Company has created a registered trust for purpose of CSR activities as approved by the CSR committee. The utilisation is done by way of contribution to this trust.

- (a) Gross amount as per the limits of Section 135 of the Companies Act, 2013: ₹26.50 millions (31 March 2022: ₹22.10 millions)
- (b) Details of amount spent:

|                                                           | Amount paid  | Amount accrued | Total        |
|-----------------------------------------------------------|--------------|----------------|--------------|
| <b>Year ended 31 March 2023:</b>                          | -            | -              | -            |
| Construction/acquisition of any asset (refer notes below) | 26.50        | -              | 26.50        |
| On purposes other than above                              | <b>26.50</b> | -              | <b>26.50</b> |

|                                                           | Amount paid  | Amount accrued | Total        |
|-----------------------------------------------------------|--------------|----------------|--------------|
| <b>Year ended 31 March 2022:</b>                          | -            | -              | -            |
| Construction/acquisition of any asset (refer notes below) | 22.10        | -              | 22.10        |
| On purposes other than above                              | <b>22.10</b> | -              | <b>22.10</b> |

- (c) The Holding Company has made a contribution of ₹26.50 millions for the year ended 31 March 2023 (31 March 2022: ₹22.10 millions) to a registered trust considered to be a related party as per Indian Accounting Standard (Ind AS) 24, Related Party Disclosures.
- (d) The Holding Company has a provision for corporate social responsibility expenses for Nil millions in the current year.
- (e) The Holding Company does not wish to carry forward any excess amount spent during the year.
- (f) The Holding Company does not have any ongoing projects as at 31 March 2023 and 31 March 2022.

## 47 Financial instruments - fair values and risk management

### A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy:

| Particulars                      | Note | Carrying amount                           |                                                       |          |                       | Fair value |         |         |
|----------------------------------|------|-------------------------------------------|-------------------------------------------------------|----------|-----------------------|------------|---------|---------|
|                                  |      | Fair value through profit or loss (FVTPL) | Fair value through Other Comprehensive Income (FVOCI) | Cost     | Total carrying amount | Level 1    | Level 2 | Level 3 |
| <b>As at 31 March 2023</b>       |      |                                           |                                                       |          |                       |            |         |         |
| <b>Financial assets</b>          |      |                                           |                                                       |          |                       |            |         |         |
| Investment in equity instruments | 9    | -                                         | 1.27                                                  | -        | 1.27                  | -          | -       | 1.27    |
| Other financial assets           | 10   | -                                         | -                                                     | 1,272.02 | 1,272.02              | -          | -       | -       |
| Trade receivables                | 15   | -                                         | -                                                     | 454.22   | 454.22                | -          | -       | -       |
| Cash and cash equivalents        | 16   | -                                         | -                                                     | 94.83    | 94.83                 | -          | -       | -       |

## Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

(Amount in ₹ millions, except otherwise stated)

### 47 Financial instruments – fair values and risk management (Contd.)

| Particulars                                        | Note | Carrying amount                           |                                                       |          |                       | Fair value |         |         |
|----------------------------------------------------|------|-------------------------------------------|-------------------------------------------------------|----------|-----------------------|------------|---------|---------|
|                                                    |      | Fair value through profit or loss (FVTPL) | Fair value through Other Comprehensive Income (FVOCI) | Cost     | Total carrying amount | Level 1    | Level 2 | Level 3 |
| Bank balances other than cash and cash equivalents | 17   | -                                         | -                                                     | 4,280.90 | 4,280.90              | -          | -       | -       |
|                                                    |      | -                                         | 1.27                                                  | 6,101.97 | 6,103.24              | -          | -       | 1.27    |
| <b>Financial liabilities</b>                       |      |                                           |                                                       |          |                       |            |         |         |
| Borrowing                                          | 20   | 6,376.09                                  | -                                                     | 5,416.61 | 11,792.70             | 6,376.09   | -       | -       |
| Lease liabilities                                  | 21   | -                                         | -                                                     | 2,097.53 | 2,097.53              | -          | -       | -       |
| Other financial liabilities                        | 22   | 194.01                                    | -                                                     | 493.53   | 687.54                | -          | -       | -       |
| Trade payables                                     | 25   | -                                         | -                                                     | 1,444.59 | 1,444.59              | -          | -       | -       |
|                                                    |      | 6,570.10                                  | -                                                     | 9,452.26 | 16,022.36             | 6,376.09   | -       | -       |
| <b>As at 31 March 2022</b>                         |      |                                           |                                                       |          |                       |            |         |         |
| <b>Financial assets</b>                            |      |                                           |                                                       |          |                       |            |         |         |
| Investment in equity instruments                   | 9    | -                                         | 0.26                                                  | -        | 0.26                  | -          | -       | 0.26    |
| Other financial assets                             | 10   | 46.23                                     | -                                                     | 708.95   | 755.18                | 46.23      | -       | -       |
| Trade receivables                                  | 15   | -                                         | -                                                     | 393.98   | 393.98                | -          | -       | -       |
| Cash and cash equivalents                          | 16   | -                                         | -                                                     | 95.44    | 95.44                 | -          | -       | -       |
| Bank balances other than cash and cash equivalents | 17   | -                                         | -                                                     | 2,692.69 | 2,692.69              | -          | -       | -       |
|                                                    |      | 46.23                                     | 0.26                                                  | 3,891.06 | 3,937.55              | 46.23      | -       | 0.26    |
| <b>Financial liabilities</b>                       |      |                                           |                                                       |          |                       |            |         |         |
| Borrowing                                          | 20   | 4,313.54                                  | -                                                     | 4,335.01 | 8,648.55              | 4,313.54   | -       | -       |
| Lease liabilities                                  | 21   | -                                         | -                                                     | 1,629.64 | 1,629.64              | -          | -       | -       |
| Other financial liabilities                        | 22   | -                                         | -                                                     | 325.19   | 325.19                | -          | -       | -       |
| Trade payables                                     | 25   | -                                         | -                                                     | 1,174.23 | 1,174.23              | -          | -       | -       |
|                                                    |      | 4,313.54                                  | -                                                     | 7,464.07 | 11,777.61             | 4,313.54   | -       | -       |

### B. Measurement of fair values

Valuation techniques and significant unobservable inputs

- The fair value of cash and cash equivalents, Bank balances other than cash and cash equivalents, trade receivables, loans, trade payables and other financial assets and liabilities approximate their carrying amount largely due to the short-term nature of these instruments.
- Investments in equity instruments are classified as FVOCI. The carrying cost of unquoted equity instrument has been considered as an appropriate estimate of fair value in the current year. There are no such significant unobservable inputs used for the valuation technique.
- In case of derivatives, the fair value is determined using quoted forward exchange rates at the reporting dates in the respective commodities and currencies. There are no such significant unobservable inputs used for the valuation technique.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

(Amount in ₹ millions, except otherwise stated)

## 47 Financial instruments – fair values and risk management (Contd.)

### C. Level 3 fair values – Movement in the values of unquoted equity instruments

The following table shows a reconciliation from the opening balance to the closing balance for Level 3 fair values.

|                                                            | As at<br>31 March 2023 | As at<br>31 March 2022 |
|------------------------------------------------------------|------------------------|------------------------|
| Balance as at the beginning of the year                    | 0.26                   | 0.26                   |
| <b>Fair value gain through Other Comprehensive Income:</b> |                        |                        |
| – Net change in fair value (unrealised)                    | 1.01                   | –                      |
| Balance as at the end of the year                          | 1.27                   | 0.26                   |

### D. Risk management

The Group's principal financial liabilities includes borrowings, trade payable and other financial liabilities. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade receivables, cash and cash equivalents, Bank balances other than cash and cash equivalents and other financial assets that derive directly from its operations.

The Group's activities expose it to credit risk, liquidity risk and market risk. The Group's primary risk management focus is to minimise potential adverse effects of market risk on its financial performance. The Group exposure to credit risk is influenced mainly by the individual characteristic of each customer. The Group's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Group's activities.

#### (i) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and loans given. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to customers, including outstanding accounts receivables. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Group assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

In respect of trade and other receivables, the Group is not exposed to any significant credit risk exposure to any single counterparty or any Group of counterparties having similar characteristics. Trade receivables consist of a large number of customers. The Group has very limited history of customer default, and considers the credit quality of trade receivables that are not past due or impaired to be good.

The credit risk for cash and cash equivalents, bank deposits, loans and financial instruments is considered negligible, since the counterparties are reputable organisations with high quality external credit ratings.

The following tables provide information about the exposure to credit risk for trade receivables:

|                     | less than<br>60 days | from 61 to<br>90 days | from 91 to<br>180 days | from 180 to<br>365 days | more than<br>365 days | Total  |
|---------------------|----------------------|-----------------------|------------------------|-------------------------|-----------------------|--------|
| As at 31 March 2023 | 281.32               | 37.81                 | 102.80                 | 32.29                   | 25.57                 | 479.79 |
| As at 31 March 2022 | 289.57               | 83.58                 | 19.88                  | 0.42                    | 23.65                 | 417.10 |

## Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

(Amount in ₹ millions, except otherwise stated)

### 47 Financial instruments – fair values and risk management (Contd.)

#### (ii) Liquidity risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Group finance team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Group liquidity position through rolling forecasts on the basis of expected cash flows.

The Group approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group reputation.

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

| Particulars                             | Contractual cashflows |                  |                  |               |                 |                   |
|-----------------------------------------|-----------------------|------------------|------------------|---------------|-----------------|-------------------|
|                                         | Carrying amount       | Total            | Less than 1 year | 1 - 2 years   | 2 - 5 years     | More than 5 years |
| <b>As on 31 March 2023:</b>             |                       |                  |                  |               |                 |                   |
| Borrowings (including accrued interest) | 11,792.70             | 11,792.70        | 11,781.65        | 3.92          | 7.13            | -                 |
| Lease liabilities                       | 2,097.53              | 3,406.41         | 447.00           | 420.95        | 1,200.41        | 1,338.05          |
| Trade payables                          | 1,444.59              | 1,444.59         | 1,444.59         | -             | -               | -                 |
| Other financial liabilities             | 687.54                | 687.54           | 687.54           | -             | -               | -                 |
|                                         | <b>16,022.36</b>      | <b>17,331.24</b> | <b>14,360.78</b> | <b>424.87</b> | <b>1,207.54</b> | <b>1,338.05</b>   |
| <b>As on 31 March 2022:</b>             |                       |                  |                  |               |                 |                   |
| Borrowings (including accrued interest) | 8,648.55              | 8,648.55         | 8,644.60         | 1.06          | 2.89            | -                 |
| Lease liabilities                       | 1,629.64              | 2,679.48         | 362.48           | 347.49        | 880.34          | 1,089.17          |
| Trade payables                          | 1,174.23              | 1,174.23         | 1,174.23         | -             | -               | -                 |
| Other financial liabilities             | 325.19                | 325.19           | 317.10           | 8.09          | -               | -                 |
|                                         | <b>11,777.61</b>      | <b>12,827.45</b> | <b>10,498.41</b> | <b>356.64</b> | <b>883.23</b>   | <b>1,089.17</b>   |

#### (iii) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

##### (a) Currency risk

The Group is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the Group's functional currency.

| Exposure to currency risk    | Currency          | 31 March 2023 | 31 March 2022 |
|------------------------------|-------------------|---------------|---------------|
| Trade receivables (unhedged) | USD (in millions) | 2.47          | 1.19          |
|                              | INR               | 202.94        | 90.59         |

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

(Amount in ₹ millions, except otherwise stated)

## 47 Financial instruments – fair values and risk management (Contd.)

### Sensitivity analysis

A reasonably possible strengthening /weakening of the Indian Rupee against US dollars as at the reporting period would have affected the measurement of financial instruments denominated in US dollars and affects profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

| Particulars                         | 31 March 2023    |                     | 31 March 2022    |                     |
|-------------------------------------|------------------|---------------------|------------------|---------------------|
|                                     | Profit or (loss) | Equity (net of tax) | Profit or (loss) | Equity (net of tax) |
| INR/USD strengthening [5% movement] | 10.15            | 7.59                | 4.53             | 3.39                |
| INR/USD weakening [5% movement]     | (10.15)          | (7.59)              | (4.53)           | (3.39)              |

### (b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group exposure to the risk of changes in market interest rates relates primarily to the Group long term and short term borrowing with floating interest rates. The Group constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

The interest rate profile of the Group 's interest bearing financial instruments at the end of the reporting period are as follows:

| Particulars                      | 31 March 2023    | 31 March 2022   |
|----------------------------------|------------------|-----------------|
| <b>Fixed rate instruments</b>    |                  |                 |
| Financial assets                 | 3,417.13         | 1,511.54        |
| Financial liabilities            | 17.75            | 5.20            |
|                                  | <b>3,434.88</b>  | <b>1,516.74</b> |
| <b>Variable rate instruments</b> |                  |                 |
| Financial assets                 | –                | –               |
| Financial liabilities            | 11,774.95        | 8,643.35        |
|                                  | <b>11,774.95</b> | <b>8,643.35</b> |

### Sensitivity analysis

Fixed rate instruments that are carried at amortised cost are not subject to interest rate risk for the purpose of sensitivity analysis.

A reasonably possible change of 100 basis points in variable rate instruments at the reporting dates would have increased or decreased profit or loss by the amounts shown below:

| Particulars                                                   | 31 March 2023  |                     | 31 March 2022  |                     |
|---------------------------------------------------------------|----------------|---------------------|----------------|---------------------|
|                                                               | Profit or Loss | Equity (net of tax) | Profit or Loss | Equity (net of tax) |
| Variable rate instruments – increase by 100 basis points (1%) | 117.75         | 88.11               | 86.43          | 64.68               |
| Variable rate instruments – decrease by 100 basis points (1%) | (117.75)       | (88.11)             | (86.43)        | (64.68)             |

The sensitivity analysis above has been determined for borrowings assuming the amount of borrowings outstanding at the end of the reporting period was outstanding for the whole year.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

(Amount in ₹ millions, except otherwise stated)

## 47 Financial instruments – fair values and risk management (Contd.)

### E. Hedging activity and derivatives

#### Fair value hedge of gold price risk in inventory

The Group is exposed to fluctuations in gold price (including fluctuations in foreign currency) arising on purchase/sale of gold and inventory of gold lying with the Group. To manage the variability in cash flows, the Group enters into derivative financial instruments to manage the risk associated with gold price fluctuations relating to the highly probable forecasted transactions. Such derivative financial instruments are primarily in the nature of future commodity contracts. The risk management strategy against gold price fluctuation also includes procuring gold on loan basis, with a flexibility to fix price of gold at anytime during the tenor of the loan.

The Group designates certain derivatives as hedging instruments in respect of commodity price risk in cash flow hedges and fair value hedges. As the value of the derivative instrument generally changes in response to the value of the hedged item, the economic relationship is established.

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments, to ensure that an economic relationship exists between the hedged item and the hedging instrument. The Group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item, and so a qualitative assessment of effectiveness is performed. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Group uses the hypothetical derivative method to assess effectiveness. The Group assesses the effectiveness of its designated hedges by using the same hedge ratio as that resulting from the quantities of the hedged item and the hedging instrument that the Group actually uses.

#### (a) Disclosures of effects of hedge accounting on balance sheet:

| Commodity price risk                                             | Carrying amount of hedge item |             | Carrying amount of hedging instrument |             | Maturity date                      | Balance sheet classification | Impact of change in fair value relating to the hedged risk (spot) |
|------------------------------------------------------------------|-------------------------------|-------------|---------------------------------------|-------------|------------------------------------|------------------------------|-------------------------------------------------------------------|
|                                                                  | Assets                        | Liabilities | Assets                                | Liabilities |                                    |                              |                                                                   |
| <b>As at 31 March 2023</b>                                       |                               |             |                                       |             |                                    |                              |                                                                   |
| Hedged item – inventory of gold                                  | 15,299.18                     | -           | N.A.                                  | N.A.        | Range – with in six to nine months | Inventories                  | 642.63                                                            |
| Hedging instrument – option to fix gold price (gold metal loans) | N.A.                          | N.A.        | -                                     | 6,376.09    |                                    | Current borrowings           | 642.63                                                            |
| <b>As at 31 March 2022</b>                                       |                               |             |                                       |             |                                    |                              |                                                                   |
| Hedged item – inventory of gold                                  | 11,164.96                     | -           | N.A.                                  | N.A.        | Range – with in six to nine months | Inventories                  | 253.68                                                            |
| Hedging instrument – option to fix gold price (gold metal loans) | N.A.                          | N.A.        | -                                     | 4,313.54    |                                    | Current borrowings           | 253.68                                                            |

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

(Amount in ₹ millions, except otherwise stated)

## 47 Financial instruments – fair values and risk management (Contd.)

### (b) Disclosure of effects of hedge accounting in the consolidated Statement of Profit and Loss:

| Type of hedge                    | Change in value of hedging instrument recognised in Other Comprehensive Income | Hedge ineffectiveness recognised [Gain / (loss)] | Amount reclassified from cash flow hedge reserve | Line item affected on reclassification |
|----------------------------------|--------------------------------------------------------------------------------|--------------------------------------------------|--------------------------------------------------|----------------------------------------|
| <b>Cash flow hedge</b>           |                                                                                |                                                  |                                                  |                                        |
| For the year ended 31 March 2023 |                                                                                |                                                  |                                                  |                                        |
| Commodity price risk             | -                                                                              | -                                                | -                                                |                                        |
| For the year ended 31 March 2022 |                                                                                |                                                  |                                                  |                                        |
| Commodity price risk             | (327.44)                                                                       | 2.02                                             | 333.04                                           | Purchase cost                          |

### (c) Movement in cash flow hedge reserve and cost of hedging reserve:

| Particulars                                                    | Year ended 31 March 2023 | Year ended 31 March 2022 |
|----------------------------------------------------------------|--------------------------|--------------------------|
| <b>Cash flow hedge reserve</b>                                 |                          |                          |
| Balance as at the beginning of the year                        | -                        | (4.19)                   |
| Add: Changes in fair value of future commodity derivatives     | -                        | (327.44)                 |
| Less: Amounts reclassified to the Statement of Profit and Loss | -                        | 333.04                   |
| Less: Deferred tax relating to above (net)                     | -                        | (1.41)                   |
| Balance as at the end of the year                              | -                        | -                        |

## 48 Ratios disclosed as per requirement of Schedule III to the Act

|                                                                                    | As at 31 March 2023 | As at 31 March 2022 |
|------------------------------------------------------------------------------------|---------------------|---------------------|
| <b>(a) Return on equity ratio</b>                                                  |                     |                     |
| Profit for the year (Numerator)                                                    | 1,584.79            | 1,291.02            |
| Average shareholder's equity (Denominator)                                         | 8,357.44            | 6,642.94            |
| <b>Return on equity (%)</b>                                                        | <b>18.96%</b>       | <b>19.43%</b>       |
| <b>% Change as compared to the preceding year</b>                                  | <b>(2.43%)</b>      |                     |
| <b>(b) Return on capital employed</b>                                              |                     |                     |
| <b>[Capital Employed = Total equity + borrowings (including accrued interest)]</b> |                     |                     |
| Earning before interest and taxes (Numerator)                                      | 3,022.05            | 2,478.38            |
| Capital employed (Denominator)                                                     | 21,247.90           | 15,908.22           |
| <b>Return on capital employed</b>                                                  | <b>14.22%</b>       | <b>15.58%</b>       |
| <b>% Change as compared to the preceding year</b>                                  | <b>(8.71%)</b>      |                     |
| <b>(c) Current ratio</b>                                                           |                     |                     |
| <b>[Current assets / Current liabilities]</b>                                      |                     |                     |
| Current assets (Numerator)                                                         | 25,010.02           | 18,013.72           |
| Current liabilities (Denominator)                                                  | 17,442.01           | 12,277.97           |
| <b>Current ratio (times)</b>                                                       | <b>1.43</b>         | <b>1.47</b>         |
| <b>% Change as compared to the preceding year</b>                                  | <b>(2.27%)</b>      |                     |
| <b>(d) Debt-equity ratio</b>                                                       |                     |                     |
| <b>[Total debt / Shareholder's equity]</b>                                         |                     |                     |
| Total debt (Numerator)                                                             | 11,792.70           | 8,648.55            |
| Shareholder's equity (Denominator)                                                 | 9,455.20            | 7,259.67            |
| <b>Debt-equity ratio (times)</b>                                                   | <b>1.25</b>         | <b>1.19</b>         |
| <b>% Change as compared to the preceding year</b>                                  | <b>4.69%</b>        |                     |

## Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

(Amount in ₹ millions, except otherwise stated)

### 48 Ratios disclosed as per requirement of Schedule III to the Act (Contd.)

|                                                                                  | As at<br>31 March 2023 | As at<br>31 March 2022 |
|----------------------------------------------------------------------------------|------------------------|------------------------|
| <b>(e) Debt Service Coverage Ratio</b>                                           |                        |                        |
| <b>[Earnings available for debt service/Debt Service]</b>                        |                        |                        |
| Earning for Debt Service (Numerator)                                             | 2,907.84               | 2,420.96               |
| Debt service (Denominator)                                                       | 1,044.16               | 880.44                 |
| Debt Service Coverage Ratio(times)                                               | <b>2.78</b>            | <b>2.75</b>            |
| % Change as compared to the preceding year                                       | <b>1.28%</b>           |                        |
| <b>(f) Inventory turnover ratio</b>                                              |                        |                        |
| <b>[Average Inventory = (Opening balance + Closing balance) / 2]</b>             |                        |                        |
| Sales for the year (Numerator)                                                   | 40,774.04              | 35,346.41              |
| Average inventory (Denominator)                                                  | 16,383.51              | 12,153.59              |
| Inventory turnover ratio (times)                                                 | <b>2.49</b>            | <b>2.91</b>            |
| % Change as compared to the preceding year                                       | <b>(14.43%)</b>        |                        |
| <b>(g) Trade receivables turnover ratio</b>                                      |                        |                        |
| <b>[Average trade receivables = (Opening balance + Closing balance) / 2]</b>     |                        |                        |
| Revenue from operations (Numerator)                                              | 40,774.04              | 35,346.41              |
| Average trade receivable (Denominator)                                           | 424.10                 | 334.79                 |
| Trade receivables turnover ratio (times)                                         | <b>96.14</b>           | <b>105.58</b>          |
| % Change as compared to the preceding year                                       | <b>(8.94%)</b>         |                        |
| <b>(h) Trade payables turnover ratio</b>                                         |                        |                        |
| <b>[Average trade payables = (Opening balance + Closing balance) / 2]</b>        |                        |                        |
| Purchase of raw materials and stock-in-trade (Numerator)                         | 39,161.46              | 33,323.12              |
| Average trade payables (Denominator)                                             | 1,309.41               | 891.79                 |
| Trade payables turnover ratio (times)                                            | <b>29.91</b>           | <b>37.37</b>           |
| % Change as compared to the preceding year                                       | <b>(19.96%)</b>        |                        |
| <b>(i) Net capital turnover ratio</b>                                            |                        |                        |
| <b>[Working capital is calculated as current assets (-) current liabilities]</b> |                        |                        |
| Revenue from operations (Numerator)                                              | 40,774.04              | 35,346.41              |
| Working capital (Denominator)                                                    | 7,568.01               | 5,735.75               |
| Net capital turnover ratio (times)                                               | <b>5.39</b>            | <b>6.16</b>            |
| % Change as compared to the preceding year                                       | <b>(12.57%)</b>        |                        |
| <b>(j) Net profit ratio</b>                                                      |                        |                        |
| Profit for the year (Numerator)                                                  | 1,584.79               | 1,291.02               |
| Revenue from operations (Denominator)                                            | 40,774.04              | 35,346.41              |
| Net profit ratio                                                                 | <b>3.89%</b>           | <b>3.65%</b>           |
| % Change as compared to the preceding year                                       | <b>6.41%</b>           |                        |

#### Note:

- Since the change in ratio is not more than 25% in any of the above ratios, requirement to furnish explanations is not applicable per stipulation mentioned in schedule III to the Act.
- The Holding Company has investments only in the equity shares of its subsidiary and there are no dividends or other returns from the subsidiary for the current year and previous years hence disclosure of Return on investments ratio is not applicable to the Group.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

(Amount in ₹ millions, except otherwise stated)

## 49 Capital management

The Group's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investors, creditors and market confidence and to sustain future development and growth of its business. In order to maintain the capital structure, the Group monitors the return on capital, as well as the level of dividends to equity shareholders. The Group aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to all its shareholders. The Group is not subject to externally imposed capital requirements. For the purpose of the Group's capital management, capital includes issued equity share capital, instruments entirely equity in nature and all other equity reserves attributable to the equity holders and debt includes borrowings and lease liabilities.

The Group monitors capital on the basis of the following gearing ratio.

| Particulars                            | As at<br>31 March 2023 | As at<br>31 March 2022 |
|----------------------------------------|------------------------|------------------------|
| Total debt (Bank and other borrowings) | 11,792.70              | 8,648.55               |
| Equity (including other equity)        | 9,455.20               | 7,259.67               |
| Debt to equity ratio                   | 1.25:1                 | 1.19:1                 |

## 50 Details related to borrowings secured against current assets

The Group has given current assets as security for borrowings obtained from banks. The Group duly submitted the required information with the banks on regular basis and the required reconciliation is presented below:

| Quarter ended                           | Particulars         | Amount as<br>per books of<br>accounts | Amount as<br>reported in the<br>quarterly return<br>/ statement | Amount of<br>difference | Reason for material<br>variations |
|-----------------------------------------|---------------------|---------------------------------------|-----------------------------------------------------------------|-------------------------|-----------------------------------|
| <b>For the year ended 31 March 2023</b> |                     |                                       |                                                                 |                         |                                   |
| 31 March 2023                           | - Trade receivables | 454.22                                | 456.80                                                          | (2.58)                  | Refer note (a) below.             |
|                                         | - Inventories       | 18,777.73                             | 18,777.70                                                       | 0.03                    | Refer note (a) below.             |
| 31 December 2022                        | - Trade receivables | 504.86                                | 504.70                                                          | 0.16                    | Refer note (a) below.             |
|                                         | - Inventories       | 17,430.20                             | 17,202.90                                                       | 227.30                  | Refer note (b) below.             |
| 30 September 2022                       | - Trade receivables | 540.54                                | 541.50                                                          | (0.96)                  | Refer note (a) below.             |
|                                         | - Inventories       | 17,165.67                             | 17,308.20                                                       | (142.53)                | Refer note (b) below.             |
| 30 June 2022                            | - Trade receivables | 649.04                                | 641.00                                                          | 8.04                    | Refer note (a) below.             |
|                                         | - Inventories       | 15,046.73                             | 15,069.20                                                       | (22.47)                 | Refer note (a) below.             |
| <b>For the year ended 31 March 2022</b> |                     |                                       |                                                                 |                         |                                   |
| 31 March 2022                           | - Trade receivables | 395.37                                | 395.70                                                          | (0.33)                  | Refer note (a) below.             |
|                                         | - Inventories       | 13,886.63                             | 13,954.60                                                       | (67.97)                 | Refer note (a) below.             |
| 31 December 2021                        | - Trade receivables | 396.75                                | 402.70                                                          | (5.95)                  | Refer note (a) below.             |
|                                         | - Inventories       | 13,494.94                             | 13,337.50                                                       | 157.44                  | Refer note (b) below.             |
| 30 September 2021                       | - Trade receivables | 581.05                                | 559.10                                                          | 21.95                   | Refer note (a) below.             |
|                                         | - Inventories       | 12,613.46                             | 12,713.80                                                       | (100.34)                | Refer note (b) below.             |
| 30 June 2021                            | - Trade receivables | 305.89                                | 303.80                                                          | 2.09                    | Refer note (a) below.             |
|                                         | - Inventories       | 10,870.98                             | 11,088.50                                                       | (217.52)                | Refer note (b) below.             |

### Notes:

(a) No significant variation.

(b) Variation is owing to the adjustment of purchase difference on the unfixed gold metal loans recorded on an estimated basis (and not actual basis) and manual adjustment of inventory lying with karigars done while submitting the quarterly statements to the banks.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2023



Senco Gold Limited  
Annual Report 2022-23

(Amount in ₹ millions, except otherwise stated)

**51 Additional information as required by paragraph 2 of the general instructions for preparation of the consolidated financial statements as per Schedule III of the Act:**

| Name of the Company                                         | Net assets (total assets minus total liabilities) |                 | Share in profit or (loss) |                 | Share in other comprehensive income ('OCI') |               | Share in total comprehensive income  |                 |
|-------------------------------------------------------------|---------------------------------------------------|-----------------|---------------------------|-----------------|---------------------------------------------|---------------|--------------------------------------|-----------------|
|                                                             | As a % of net assets                              | Amount          | As a % of profit or loss  | Amount          | As a % of OCI                               | Amount        | As a % of total comprehensive income | Amount          |
| <b>As at 31 March 2023</b>                                  |                                                   |                 |                           |                 |                                             |               |                                      |                 |
| Senco Gold Limited (Holding Company)                        | 100%                                              | 9,490.49        | 102%                      | 1,609.26        | 101%                                        | (4.50)        | 102%                                 | 1,604.76        |
| Senco Gold Artisanship Private Limited (Subsidiary company) | 0%                                                | 4.75            | -2%                       | (24.45)         | -1%                                         | 0.05          | -2%                                  | (24.40)         |
| Less: Eliminations                                          | 0%                                                | (40.04)         | 0%                        | (0.02)          | 0%                                          | -             | 0%                                   | (0.02)          |
| <b>Total</b>                                                |                                                   | <b>9,455.20</b> |                           | <b>1,584.79</b> |                                             | <b>(4.45)</b> |                                      | <b>1,580.34</b> |
| <b>As at 31 March 2022</b>                                  |                                                   |                 |                           |                 |                                             |               |                                      |                 |
| Senco Gold Limited (Holding Company)                        | 100%                                              | 7,270.54        | 101%                      | 1,301.52        | 101%                                        | 8.18          | 101%                                 | 1,309.70        |
| Senco Gold Artisanship Private Limited (Subsidiary company) | 0%                                                | 9.12            | -1%                       | (10.41)         | -1%                                         | (0.09)        | -1%                                  | (10.50)         |
| Less: Eliminations                                          | 0%                                                | (19.99)         | 0%                        | (0.09)          | 0%                                          | -             | 0%                                   | (0.09)          |
| <b>Total</b>                                                |                                                   | <b>7,259.67</b> |                           | <b>1,291.02</b> |                                             | <b>8.09</b>   |                                      | <b>1,299.11</b> |

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

(Amount in ₹ millions, except otherwise stated)

## 52 Relationship with struck-off companies

The Group has balance with the below mentioned companies struck off under section 248 of Companies Act, 2013:

| Name of the struck-off entity                                                                                                                   | Balance outstanding | Relationship with the struck off entity |
|-------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|-----------------------------------------|
| <b>As at 31 March 2023</b>                                                                                                                      |                     |                                         |
| <b>Trade payables</b>                                                                                                                           |                     |                                         |
| The Group does not have transactions or balances during current year with companies whose names have been struck off by Registrar of Companies. |                     |                                         |
| <b>As at 31 March 2022</b>                                                                                                                      |                     |                                         |
| <b>Trade payables</b>                                                                                                                           |                     |                                         |
| - Maharani Jewellery India Private Limited                                                                                                      | 4.17                | Vendor to the Group                     |

## 53 Other statutory information

- (i) The Group does not have any Benami property, where any proceeding have been initiated or pending against them for holding any Benami property.
- (ii) The Group does not have any charge or satisfaction of charge, which is yet to be registered with Registrar of Companies beyond the statutory period.
- (iii) The Group has not traded or invested in crypto-currency or virtual currency during the financial year.
- (iv) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:
  - a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries); or
  - b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (v) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
  - a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or
  - b. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vi) The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income-tax Act, 1961.
- (vii) The Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (viii) The Group has not entered into any scheme of arrangement which has an accounting impact on the current or previous financial year.

## Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

(Amount in ₹ millions, except otherwise stated)

### 54 Code of Social Security, 2020

The Code of Social Security, 2020 ('Code') relating to employee benefits during employment and post employment received Presidential assent in September 2020. Subsequently, the Ministry of Labour and Employment had released the draft rules on the aforementioned Code. However, the same is yet to be notified. The Group will evaluate the impact (if any) and make necessary adjustments to the consolidated financial statements in the period when the Code will come into effect.

**55** In the Board Meeting dated 10 July 2021, the Board of Directors of the Holding Company have approved capital raising comprising of fresh issue of equity shares through an Initial Public Offerings ( 'IPO' ).

This is the notes to the financial statements including a summary of significant accounting policies and other explanatory information referred to in our report of even date.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration Number: 001076N/N500013

**Rajni Mundra**

Partner

Membership No.: 058644

**Place:** Mumbai

**Date:** 16 May 2023

For and on behalf of the Board of Directors of

**Senco Gold Limited**

**Suvankar Sen**

Managing Director and

Chief Executive Officer

DIN: 01178803

**Place:** Mumbai

**Date:** 16 May 2023

**Surendra Gupta**

Company Secretary and

Compliance Officer

Membership No.: A20666

**Place:** Kolkata

**Date:** 16 May 2023

**Ranjana Sen**

Director

DIN: 01226337

**Place:** Kolkata

**Date:** 16 May 2023

**Sanjay Banka**

Chief Financial Officer

**Place:** Mumbai

**Date:** 16 May 2023

# Independent Auditor's Report

To the  
Members of Senco Gold Limited

## Report on the Audit of the Consolidated Financial Statements

### Opinion

1. We have audited the accompanying consolidated financial statements of Senco Gold limited ('the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group'), as listed in Annexure A, which comprise the Consolidated Balance Sheet as at 31 March 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group as at 31 March 2022, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules thereunder,

and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Information other than the Consolidated Financial Statements and Auditor's Report thereon

4. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Directors' report but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard..

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

5. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes

in equity and consolidated cash flows of the Group in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

6. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
7. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

#### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

8. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in

the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

9. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls;
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
  - Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
  - Evaluate the overall presentation, structure and

content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and

- Obtain sufficient appropriate audit evidence regarding the financial information/financial statements of the entities or business activities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors.

10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## Report on Other Legal and Regulatory Requirements

11. As required by section 197(16) of the Act based on our audit, we report that the Holding Company whose financial statements have been audited under the Act have paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that its one subsidiary company incorporated in India whose financial statements have been audited under the Act has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable in respect of such subsidiary company.

12. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued till date by us, of companies included in the consolidated financial statements for the year ended 31 March 2022 and covered under the Act we report that:

A) Following are the qualifications/adverse remarks reported by us in the Order reports of the companies included in the consolidated financial statements for the year ended 31 March 2022 for which such Order reports have been issued till date:

| Sl No | Name               | CIN                   | Holding Company / subsidiary Company | Clause number of the CARO report which is qualified or adverse |
|-------|--------------------|-----------------------|--------------------------------------|----------------------------------------------------------------|
| 1     | Senco Gold Limited | U36911WB1994PLC064637 | Holding Company                      | 3 (i) (c)                                                      |
| 2     | Senco Gold Limited | U36911WB1994PLC064637 | Holding Company                      | 3 (vii) (a)                                                    |

13. As required by section 143(3) of the Act, based on our audit we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;
- c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

- d) in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;
- e) On the basis of the written representations received from the directors of the Holding Company, and its subsidiary company and taken on record by the Board of Directors of the Holding Company, and its subsidiary company respectively covered under the Act, none of the directors of the Group, are disqualified as on 31 March 2022 from being appointed as a director in terms of section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary

company covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure B' wherein we have expressed an unmodified opinion; and

g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, as detailed in Note 43 to the consolidated financial statements;
- ii. The Holding Company and its subsidiary company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2022;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary company covered under the Act, during the year ended 31 March 2022;
- iv. a. The respective managements of the Holding Company and its subsidiary companies, incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, as disclosed in note 50 (iv) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiary company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in

writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or such subsidiary company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- b. The respective managements of the Holding Company and its subsidiary company, incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, as disclosed in the note 50 (iv) to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiary company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or such subsidiary company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c. Based on such audit procedures performed by us, as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. The subsidiary company has not declared or paid any dividend during the year ended 31 March 2022.

The interim dividend declared and paid by the Holding Company during the year ended 31 March 2022 and until the date of this audit report is in compliance with section 123 of the Act.

As stated in note 38 (b) to the accompanying consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year ended 31 March 2022 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance

with section 123 of the Act to the extent it applies to declaration of dividend.

For Walker Chandiok & Co LLP

*Chartered Accountants*

Firm's Registration No.: 001076N/N500013

**Rajni Mundra**

*Partner*

Place: Kolkata

Date: 21 July 2022

Membership No.: 058644

UDIN: 22058644ANKIIB7550

## Annexure A to the Independent Auditor's Report to the members of Senco Gold Limited on the Audit of the Consolidated Financial Statements for the year ended 31 March 2022

### Annexure A

Name of the subsidiary included in the consolidated financial statements:

| Name of the entity                     | Relationship                                 |
|----------------------------------------|----------------------------------------------|
| Senco Gold ArtisanShip Private Limited | Subsidiary (incorporated on 14 October 2020) |

## Annexure B to the Independent Auditor's Report of even date to the members of Senco Gold Limited on the Consolidated Financial Statements for the year ended 31 March 2022

**Independent Auditor's Report on the internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

1. In conjunction with our audit of the consolidated financial statements of Senco Gold Limited ('the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group'), as at and for the year ended 31 March 2022, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company, which are companies covered under the Act, as at that date.

### Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its subsidiary company, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the respective entities considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company, as aforesaid.

### Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to

error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

8. In our opinion, the Holding Company and its subsidiary company, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2022, based on the internal financial control with reference to financial statement criteria established by the respective entities considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For Walker Chandiok & Co LLP

*Chartered Accountants*

Firm's Registration No.: 001076N/N500013

Rajni Mundra

*Partner*

Place: Kolkata

Date: 21 July 2022

Membership No.: 058644

UDIN: 22058644ANKIIB7550

# Consolidated Balance Sheet as at 31 March 2022

(Amount in ₹ millions, except otherwise stated)

|                                                                                            | Note | As at<br>31 March 2022 | As at<br>31 March 2021 |
|--------------------------------------------------------------------------------------------|------|------------------------|------------------------|
| <b>ASSETS</b>                                                                              |      |                        |                        |
| (1) Non-current assets                                                                     |      |                        |                        |
| (a) Property, plant and equipment                                                          | 5    | 691.00                 | 673.84                 |
| (b) Capital work-in-progress                                                               | 6    | 65.14                  | 24.38                  |
| (c) Right-of-use assets                                                                    | 7    | 1,516.20               | 1,417.26               |
| (d) Other intangible assets                                                                | 8    | 24.59                  | 27.35                  |
| (e) Financial assets                                                                       |      |                        |                        |
| (i) Investment in others                                                                   | 9    | 0.26                   | 0.26                   |
| (ii) Other financial assets                                                                | 10   | 166.52                 | 268.31                 |
| (f) Deferred tax assets (net)                                                              | 11   | 141.27                 | 127.05                 |
| (g) Income-tax assets (net)                                                                | 12   | 180.36                 | 185.18                 |
| (h) Other non-current assets                                                               | 13   | 202.79                 | 188.06                 |
| <b>Total non-current assets</b>                                                            |      | <b>2,988.13</b>        | <b>2,911.69</b>        |
| (2) Current assets                                                                         |      |                        |                        |
| (a) Inventories                                                                            | 14   | 13,912.45              | 10,394.73              |
| (b) Financial assets                                                                       |      |                        |                        |
| (i) Trade receivables                                                                      | 15   | 393.98                 | 275.59                 |
| (ii) Cash and cash equivalents                                                             | 16   | 95.44                  | 85.13                  |
| (iii) Other bank balances                                                                  | 17   | 2,692.69               | 1,196.03               |
| (iv) Other financial assets                                                                | 10   | 588.66                 | 536.86                 |
| (c) Other current assets                                                                   | 13   | 330.50                 | 192.94                 |
| <b>Total current assets</b>                                                                |      | <b>18,013.72</b>       | <b>12,681.28</b>       |
| <b>TOTAL ASSETS</b>                                                                        |      | <b>21,001.85</b>       | <b>15,592.97</b>       |
| <b>EQUITY AND LIABILITIES</b>                                                              |      |                        |                        |
| <b>Equity</b>                                                                              |      |                        |                        |
| (a) Equity share capital                                                                   | 18   | 531.86                 | 531.86                 |
| (b) Instruments entirely equity in nature                                                  | 18   | 132.96                 | 132.96                 |
| (c) Other equity                                                                           | 19   | 6,594.85               | 5,361.38               |
| <b>Total equity</b>                                                                        |      | <b>7,259.67</b>        | <b>6,026.20</b>        |
| <b>Liabilities</b>                                                                         |      |                        |                        |
| (1) Non-current liabilities                                                                |      |                        |                        |
| (a) Financial liabilities                                                                  |      |                        |                        |
| (i) Borrowings                                                                             | 20   | 3.95                   | 4.06                   |
| (ii) Lease liabilities                                                                     | 21   | 1,451.03               | 1,327.63               |
| (iii) Other financial liabilities                                                          | 22   | 8.38                   | 8.12                   |
| (b) Provisions                                                                             | 23   | 13.01                  | 30.72                  |
| (c) Other non-current liabilities                                                          | 24   | 0.12                   | 0.12                   |
| <b>Total non-current liabilities</b>                                                       |      | <b>1,476.49</b>        | <b>1,370.65</b>        |
| (2) Current liabilities                                                                    |      |                        |                        |
| (a) Financial liabilities                                                                  |      |                        |                        |
| (i) Borrowings                                                                             | 20   | 8,625.72               | 5,320.38               |
| (ii) Lease liabilities                                                                     | 22   | 178.61                 | 146.03                 |
| (iii) Trade payables                                                                       | 25   |                        |                        |
| (a) total outstanding dues of micro enterprises and small enterprises                      |      | 124.59                 | 95.24                  |
| (b) total outstanding dues of creditors other than micro enterprises and small enterprises |      | 1,049.64               | 514.11                 |
| (iv) Other financial liabilities                                                           | 22   | 335.69                 | 256.63                 |
| (b) Other current liabilities                                                              | 24   | 1,812.25               | 1,832.20               |
| (c) Provisions                                                                             | 23   | 0.68                   | 0.38                   |
| (d) Current tax liabilities (net)                                                          | 26   | 138.51                 | 31.15                  |
| <b>Total current liabilities</b>                                                           |      | <b>12,265.69</b>       | <b>8,196.12</b>        |
| <b>Total liabilities</b>                                                                   |      | <b>13,742.18</b>       | <b>9,566.77</b>        |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                                        |      | <b>21,001.85</b>       | <b>15,592.97</b>       |

The accompanying summary of significant accounting policies and other explanatory information forms an integral part of these Consolidated Financial Statements.

This is the Balance Sheet referred to in our report of even date.

For Walker Chandiook & Co LLP

Chartered Accountants

Firm's Registration Number: 001076N/N500013

Rajni Mundra

Partner

Membership No.: 058644

DIN: 01178803

For and on behalf of the Board of Directors of  
Senco Gold Limited

Suvankar Sen

Managing Director and  
Chief Executive Officer

Joita Sen

Director  
DIN: 08828875

Surendra Gupta

Company Secretary and  
Compliance Officer  
Membership No.: A20666

Place: Kolkata

Date: 21 July 2022

Sanjay Banka

Chief Financial Officer

Place: Kolkata

Date: 21 July 2022

# Consolidated Statement of Profit and Loss for the year ended 31 March 2022

(Amount in ₹ millions, except otherwise stated)

|                                                                                                         | Note | Year ended<br>31 March 2022 | Year ended<br>31 March 2021 |
|---------------------------------------------------------------------------------------------------------|------|-----------------------------|-----------------------------|
| <b>Income</b>                                                                                           |      |                             |                             |
| I. Revenue from operations                                                                              | 27   | 35,346.41                   | 26,603.79                   |
| II. Other income                                                                                        | 28   | 127.69                      | 145.45                      |
| III. Total income (I + II)                                                                              |      | 35,474.10                   | 26,749.24                   |
| <b>IV. Expenses</b>                                                                                     |      |                             |                             |
| Cost of materials consumed                                                                              | 29   | 28,335.51                   | 18,413.89                   |
| Purchases of stock-in-trade                                                                             | 30   | 5,643.80                    | 2,903.47                    |
| Changes in inventories of finished goods and stock-in-trade                                             | 31   | (4,173.91)                  | 1,536.58                    |
| Employee benefits expense                                                                               | 32   | 747.67                      | 521.81                      |
| Finance costs                                                                                           | 33   | 697.02                      | 666.37                      |
| Depreciation and amortisation expenses                                                                  | 34   | 421.15                      | 395.71                      |
| Other expenses                                                                                          | 35   | 2,021.50                    | 1,474.80                    |
| Total expenses (IV)                                                                                     |      | 33,692.74                   | 25,912.63                   |
| V. Profit before tax (III - IV)                                                                         |      | 1,781.36                    | 836.61                      |
| VI. Tax expenses                                                                                        | 36   |                             |                             |
| Current tax:                                                                                            |      |                             |                             |
| - Current year                                                                                          |      | 506.71                      | 287.76                      |
| - Earlier years                                                                                         |      | 0.57                        | -                           |
| Deferred tax                                                                                            |      | (16.94)                     | (65.97)                     |
| Total tax expenses (VI)                                                                                 |      | 490.34                      | 221.79                      |
| VII. Profit after tax for the year (V - VI)                                                             |      | 1,291.02                    | 614.82                      |
| VIII. Other comprehensive income                                                                        |      |                             |                             |
| Items that will not be reclassified to profit or loss:                                                  |      |                             |                             |
| (a) Remeasurement gain/ (loss) of defined benefit plans                                                 |      | 5.21                        | (3.77)                      |
| (b) Income-tax relating to items that will not be reclassified to profit or loss                        |      | (1.31)                      | 0.95                        |
| Items that will be reclassified to profit or loss:                                                      |      |                             |                             |
| (a) Effective portion of gain/ (loss) on designated portion of hedging instruments in a cash flow hedge |      | 5.60                        | (5.60)                      |
| (b) Income-tax relating to items that will be reclassified subsequently to profit or loss               |      | (1.41)                      | 1.41                        |
| Other Comprehensive Income/ (loss) for the year (VIII)                                                  |      | 8.09                        | (7.01)                      |
| IX. Total comprehensive income for the year (VII + VIII)                                                |      | 1,299.11                    | 607.81                      |
| X. Profit for the year attributed to:                                                                   |      |                             |                             |
| - Owners of the company                                                                                 |      | 1,291.02                    | 614.82                      |
| - Non controlling interest                                                                              |      | -                           | -                           |
|                                                                                                         |      | 1,291.02                    | 614.82                      |
| Other comprehensive income for the year attributed to:                                                  |      |                             |                             |
| - Owners of the company                                                                                 |      | 8.09                        | (7.01)                      |
| - Non controlling interest                                                                              |      | -                           | -                           |
|                                                                                                         |      | 8.09                        | (7.01)                      |
| Total comprehensive income for the year attributed to:                                                  |      |                             |                             |
| - Owners of the company                                                                                 |      | 1,299.11                    | 607.81                      |
| - Non controlling interest                                                                              |      | -                           | -                           |
|                                                                                                         |      | 1,299.11                    | 607.81                      |
| X. Earnings per equity share (Nominal value per share ₹10 each)                                         |      |                             |                             |
| (a) Basic (₹)                                                                                           | 37   | 19.42                       | 9.25                        |
| (b) Diluted (₹)                                                                                         | 37   | 19.37                       | 9.25                        |

The accompanying summary of significant accounting policies and other explanatory information forms an integral part of these Consolidated Financial Statements

This is the Statement of Profit and Loss referred to in our report of even date.

For Walker Chandio & Co LLP

Chartered Accountants

Firm's Registration Number: 001076N/N500013

Rajni Mundra

Partner

Membership No.: 058644

For and on behalf of the Board of Directors of  
Senco Gold Limited

Suvankar Sen

Managing Director and

Chief Executive Officer

DIN: 01178803

Joita Sen

Director

DIN: 08828875

Surendra Gupta

Company Secretary and

Compliance Officer

Membership No.: A20666

Place: Kolkata

Date: 21 July 2022

Sanjay Banka

Chief Financial Officer

Place: Kolkata

Date: 21 July 2022

## Consolidated Cash Flow Statement for the year ended 31 March 2022

(Amount in ₹ millions, except otherwise stated)

|                                                                                                               | Year ended<br>31 March 2022 | Year ended<br>31 March 2021 |
|---------------------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| <b>A Cash flows from operating activities</b>                                                                 |                             |                             |
| Profit before tax                                                                                             | 1,781.36                    | 836.61                      |
| Adjustments for:                                                                                              |                             |                             |
| Depreciation and amortisation expenses                                                                        | 421.15                      | 395.71                      |
| Assets written off                                                                                            | -                           | 0.30                        |
| Loss on sale of property, plant and equipment                                                                 | -                           | 0.35                        |
| Finance costs                                                                                                 | 697.02                      | 666.37                      |
| Share based payment expense                                                                                   | 0.86                        | -                           |
| Unrealised foreign exchange (gain)/loss                                                                       | (0.92)                      | (2.14)                      |
| Liabilities no longer required written back                                                                   | (14.11)                     | (31.39)                     |
| Allowance for expected credit loss                                                                            | (2.44)                      | 2.79                        |
| Impact for straight-lining of rental expenses                                                                 | -                           | (20.79)                     |
| Mark-to-market gain on gold future contracts                                                                  | -                           | -                           |
| Interest income                                                                                               | (60.17)                     | (40.62)                     |
| Operating profit before working capital changes and other adjustments                                         | 2,822.75                    | 1,807.19                    |
| (Increase) / decrease in assets:                                                                              |                             |                             |
| Inventories                                                                                                   | (3,519.02)                  | 476.40                      |
| Trade receivables                                                                                             | (115.03)                    | 0.83                        |
| Loans                                                                                                         | -                           | -                           |
| Other financial assets                                                                                        | (51.14)                     | (320.09)                    |
| Other assets                                                                                                  | (143.65)                    | 75.39                       |
| Increase / (decrease) in liabilities:                                                                         |                             |                             |
| Trade payables                                                                                                | 564.88                      | (641.59)                    |
| Other financial liabilities                                                                                   | 166.00                      | 108.84                      |
| Provisions                                                                                                    | (12.20)                     | 2.02                        |
| Other liabilities                                                                                             | (12.49)                     | 730.68                      |
| Cash (used in) / generated from operating activities                                                          | (299.90)                    | 2,239.67                    |
| Income-taxes paid (net of refunds)                                                                            | (399.40)                    | (421.35)                    |
| Net cash (used in) / generated from operating activities                                                      | (699.30)                    | 1,818.32                    |
| <b>B Cash flows from investing activities</b>                                                                 |                             |                             |
| Acquisition of property, plant and equipment (including capital work-in-progress) and other intangible assets | (246.91)                    | (141.33)                    |
| Proceeds from disposal of property, plant and equipment                                                       | -                           | 1.07                        |
| Interest received                                                                                             | 48.45                       | 43.39                       |
| Deposits made during the year                                                                                 | (854.50)                    | (110.13)                    |
| Changes in other bank balances                                                                                | (529.31)                    | (338.73)                    |
| Net cash used in investing activities                                                                         | (1,582.27)                  | (545.73)                    |
| <b>C Cash flows from financing activities</b>                                                                 |                             |                             |
| Dividends paid for current year                                                                               | (54.72)                     | -                           |
| Dividends paid for earlier year                                                                               | (92.76)                     |                             |
| Repayment of long-term borrowings                                                                             | (2.80)                      | (6.40)                      |
| Proceeds / (repayment) of others borrowings (net)                                                             | 3,308.03                    | (422.30)                    |
| Repayment of lease liabilities                                                                                | (173.18)                    | (123.27)                    |
| Interest paid                                                                                                 | (692.69)                    | (671.74)                    |
| Net cash generated from / (used in) financing activities                                                      | 2,291.88                    | (1,223.71)                  |
| Net increase in cash and cash equivalents (A+B+C)                                                             | 10.31                       | 48.88                       |
| Cash and cash equivalents at the beginning of the year (refer note 16)                                        | 85.13                       | 36.25                       |
| Cash and cash equivalents at the end of the year (refer note 16)                                              | 95.44                       | 85.13                       |

# Consolidated Cash Flow Statement for the year ended 31 March 2022

(Amount in ₹ millions, except otherwise stated)

(a) The above Statement of Cash Flows has been prepared under the “Indirect Method” as set out in the Ind-AS 7 ‘Statements of Cash Flows’.

(b) Reconciliation of liabilities from financing activities:

| Particulars                                        | Lease liabilities | Non-current borrowings (including current maturities) | Current borrowings (including accrued interest) | Dividend |
|----------------------------------------------------|-------------------|-------------------------------------------------------|-------------------------------------------------|----------|
| Opening balance                                    | 1,351.01          | 14.40                                                 | 5,758.66                                        | -        |
| Add: Non-cash changes due to:                      |                   |                                                       |                                                 |          |
| - Recognition of lease liabilities                 | 245.92            | -                                                     | -                                               | -        |
| - Interest expense                                 | 165.30            | 1.10                                                  | 499.38                                          | -        |
| - Dividend                                         | -                 | -                                                     | -                                               | 99.74    |
| Less: Cash outflows during the year:               |                   |                                                       |                                                 |          |
| - Repayment of non-current borrowings              | -                 | (6.40)                                                | -                                               | -        |
| - Repayment of current borrowings (net)            | -                 | -                                                     | (422.30)                                        | -        |
| - Repayment of lease liabilities                   | (123.27)          | -                                                     | -                                               | -        |
| - Interest paid                                    | (165.30)          | (1.10)                                                | (504.75)                                        | -        |
| - Dividend paid (including tax deducted at source) | -                 | -                                                     | -                                               | (6.98)   |
| Closing balance as on 31 March 2021                | 1,473.66          | 8.00                                                  | 5,330.99                                        | 92.76    |
| Add: Non-cash changes due to:                      |                   |                                                       |                                                 |          |
| - Recognition of lease liabilities                 | 329.16            | -                                                     | -                                               | -        |
| - Interest expense                                 | 190.41            | 0.68                                                  | 505.34                                          | -        |
| - Dividend                                         | -                 | -                                                     | -                                               | 66.50    |
| Add: Cash inflows during the year:                 | -                 | -                                                     | -                                               | -        |
| - Proceeds from current borrowings (net)           | -                 | -                                                     | 3,308.03                                        | -        |
| Less: Cash outflows during the year:               |                   |                                                       |                                                 |          |
| - Repayment of non-current borrowings              | -                 | (2.80)                                                | -                                               | -        |
| - Repayment of lease liabilities                   | (173.18)          | -                                                     | -                                               | -        |
| - Interest paid                                    | (190.41)          | (0.68)                                                | (501.01)                                        | -        |
| - Dividend paid (including tax deducted at source) | -                 | -                                                     | -                                               | (154.13) |
| Closing balance as on 31 March 2022                | 1,629.64          | 5.20                                                  | 8,643.35                                        | 5.13     |

This is the Cash Flow Statement referred to in our report of even date.

For Walker Chandiok & Co LLP  
Chartered Accountants  
Firm's Registration Number: 001076N/N500013

Rajni Mundra  
Partner  
Membership No.: 058644

Place: Kolkata  
Date: 21 July 2022

For and on behalf of the Board of Directors of  
Senco Gold Limited

Suvankar Sen  
Managing Director and  
Chief Executive Officer  
DIN: 01178803

Joita Sen  
Director  
DIN: 08828875

Surendra Gupta  
Company Secretary and  
Compliance Officer  
Membership No.: A20666  
Place: Kolkata  
Date: 21 July 2022

Sanjay Banka  
Chief Financial Officer

## Consolidated Statement of Changes in Equity for the year ended 31 March 2022 (Amount in ₹ millions, except otherwise stated)

### A. Equity share capital (\*)

| Particulars          | Balance at the beginning of year | Changes during the year | Balance at the end of year |
|----------------------|----------------------------------|-------------------------|----------------------------|
| As at 31 March 2022: |                                  |                         |                            |
| Equity share capital | 531.86                           | -                       | 531.86                     |
| As at 31 March 2021: |                                  |                         |                            |
| Equity share capital | 531.86                           | -                       | 531.86                     |

### B. Instruments entirely equity in nature (\*)

| Particulars                                               | Balance at the beginning of year | Changes during the year | Balance at the end of year |
|-----------------------------------------------------------|----------------------------------|-------------------------|----------------------------|
| As at 31 March 2022:                                      |                                  |                         |                            |
| Compulsorily convertible non-cumulative preference shares | 132.96                           | -                       | 132.96                     |
| As at 31 March 2021:                                      |                                  |                         |                            |
| Compulsorily convertible non-cumulative preference shares | 132.96                           | -                       | 132.96                     |

### C. Other equity (\*\*)

| Particulars                                                                                     | Reserves and surplus |                 |                                        |                                   |                   | Other comprehensive income (OCI) |                         | Total    |
|-------------------------------------------------------------------------------------------------|----------------------|-----------------|----------------------------------------|-----------------------------------|-------------------|----------------------------------|-------------------------|----------|
|                                                                                                 | Securities premium   | General reserve | Special economic re-investment reserve | Share based payment reserve (***) | Retained earnings | Equity Instruments through OCI   | Cash flow hedge reserve |          |
| Balance as at 1 April 2020                                                                      | 314.35               | 153.64          | 1.15                                   | -                                 | 4,383.92          | 0.25                             | -                       | 4,853.31 |
| Profit for the year (net of taxes)                                                              | -                    | -               | -                                      | -                                 | 614.82            | -                                | -                       | 614.82   |
| Other Comprehensive Income (net of taxes):                                                      |                      |                 |                                        |                                   |                   |                                  |                         |          |
| - Remeasurement (loss) of defined benefit plans                                                 | -                    | -               | -                                      | -                                 | (2.82)            | -                                | -                       | (2.82)   |
| - Effective portion of (loss) on designated portion of hedging instruments in a cash flow hedge | -                    | -               | -                                      | -                                 | -                 | -                                | (4.19)                  | (4.19)   |
| Total comprehensive income for the year                                                         | 314.35               | 153.64          | 1.15                                   | -                                 | 4,995.92          | 0.25                             | (4.19)                  | 5,461.12 |
| Payment of dividends (refer note 38)                                                            | -                    | -               | -                                      | -                                 | (99.74)           | -                                | -                       | (99.74)  |
| Balance as at 31 March 2021                                                                     | 314.35               | 153.64          | 1.15                                   | -                                 | 4,896.18          | 0.25                             | (4.19)                  | 5,361.38 |
| Profit for the year (net of taxes)                                                              | -                    | -               | -                                      | -                                 | 1,291.02          | -                                | -                       | 1,291.02 |
| Other Comprehensive Income (net of taxes):                                                      |                      |                 |                                        | -                                 |                   |                                  |                         |          |
| - Remeasurement gain of defined benefit plans                                                   | -                    | -               | -                                      | -                                 | 3.90              | -                                | -                       | 3.90     |

# Consolidated Statement of Changes in Equity for the year ended 31 March 2022

(Amount in ₹ millions, except otherwise stated)

## C. Other equity (\*\*)

| Particulars                                                                                     | Reserves and surplus |                 |                                        |                                   |                   | Other comprehensive income (OCI) |                         | Total    |
|-------------------------------------------------------------------------------------------------|----------------------|-----------------|----------------------------------------|-----------------------------------|-------------------|----------------------------------|-------------------------|----------|
|                                                                                                 | Securities premium   | General reserve | Special economic re-investment reserve | Share based payment reserve (***) | Retained earnings | Equity Instruments through OCI   | Cash flow hedge reserve |          |
| - Recognition of share based payment                                                            |                      |                 |                                        | 0.86                              |                   |                                  |                         | 0.86     |
| - Effective portion of (loss) on designated portion of hedging instruments in a cash flow hedge | -                    | -               | -                                      | -                                 | -                 | -                                | 4.19                    | 4.19     |
| Total comprehensive income for the year                                                         | 314.35               | 153.64          | 1.15                                   | 0.86                              | 6,191.10          | 0.25                             | -                       | 6,661.35 |
| Payment of dividends (refer note 38)                                                            | -                    | -               | -                                      | -                                 | (66.50)           | -                                | -                       | (66.50)  |
| Balance as at 31 March 2022                                                                     | 314.35               | 153.64          | 1.15                                   | 0.86                              | 6,124.60          | 0.25                             | -                       | 6,594.85 |

(\*) Refer note 18

(\*\*) Refer note 19

(\*\*\*) Refer note 40

The accompanying summary of significant accounting policies and other explanatory information forms an integral part of these Consolidated Financial Statements

This is the Statement of Changes in Equity referred to in our report of even date.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm's Registration Number: 001076N/N500013

Rajni Mundra

Partner

Membership No.: 058644

For and on behalf of the Board of Directors of  
Senco Gold Limited

Suvankar Sen

Managing Director and  
Chief Executive Officer

DIN: 01178803

Joita Sen

Director

DIN: 08828875

Surendra Gupta

Company Secretary and  
Compliance Officer

Membership No.: A20666

Place: Kolkata

Date: 21 July 2022

Sanjay Banka

Chief Financial Officer

Place: Kolkata

Date: 21 July 2022

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(Amount in ₹ millions, except otherwise stated)

### 1 Corporate information

Senco Gold Limited (the 'Holding Company') is a public company domiciled in India, with its registered office situated at Kolkata, India. The Holding Company has been incorporated under the provisions of the erstwhile Companies Act, 1956. The corporate identification number of the Holding Company is U36911WB1994PLC064637. The Holding Company is engaged primarily in the business of manufacturing and trading of jewellery and articles made of gold, silver, platinum and other precious and semi precious stones.

### 2 (a) Application of new and revised Indian Accounting Standards (Ind AS)

All the Ind AS issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the Consolidated Financial Statements are authorised, have been considered in preparing these consolidated financial statements.

#### (b) Amendments to Schedule III of the Companies Act, 2013

On 24 March 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Act. The amendments revised Division I, II and III of Schedule III and are applicable from 1 April 2021. The revised Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015, as amended, prescribes amendments for various additional disclosures. The Group has complied with the applicable changes.

#### (b) Recent accounting developments

Ministry of Corporate Affairs (MCA), vide notification dated 23rd March, 2022, has made the following amendments to Ind AS which are effective 1 April 2022:

##### (i) Amendment to Ind AS 109 "Financial Instruments" and Ind AS 107 "Financial Instruments: Disclosures" – Interest rate Benchmark Reform Phase 2

The amendment focuses on the potential financial reporting issues that may arise when interest rate benchmarking reforms are either reformed or replaced. The key reliefs provided by the Phase 2 amendments are:

– Changes to contractual cash flows: When changing the basis for determining contractual cash flows for financial assets and liabilities (including lease liabilities), the reliefs have the effect that the changes that are required by an interest rate benchmark reform will not result in an immediate gain or loss in the Statement of Profit and Loss.

– Hedge accounting: The hedge accounting reliefs will allow most Ind AS 39 or Ind AS 109 hedge relationships that are directly affected by Interbank offered rates (IBOR) reform to continue. However, additional ineffectiveness might need to be recorded.

As per the management's assessment, these amendments would not have any significant impact on the consolidated financial statements.

##### (ii) Amendment to Ind AS 103 "Business Combination" – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103 – Business Combinations. The Group does not expect the amendment to have any significant impact in its consolidated financial statements.

##### (iii) Amendment to Ind AS 16 "Property, Plant and Equipment" – Proceeds before intended use

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The Group does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its consolidated financial statements.

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(Amount in ₹ millions, except otherwise stated)

### 3 Principles of consolidation

#### Subsidiary

A subsidiary is an entity over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

The Consolidated Financial Statements have been prepared in accordance with Ind AS 110 'Consolidated Financial Statements' and on the basis of separate audited financial statements of the Holding Company and the subsidiaries.

The Consolidated Financial Statement of the Group are combined on a line- by- line basis by adding together book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or loss in accordance with Ind AS 110.

All the consolidated subsidiaries have a consistent reporting date of the balance sheet of the Holding Company.

Non-controlling interests, if any, in the results and equity of subsidiary companies are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Consolidated Statement of Asset and Liabilities.

List of subsidiary companies considered in the Consolidated Financial Statement:

| Name of the subsidiary                                                     | Nature of business              | Name of the parent company | Country of incorporation | % Holding as at 31 March 2022 and 31 March 2021 |
|----------------------------------------------------------------------------|---------------------------------|----------------------------|--------------------------|-------------------------------------------------|
| Senco Gold Artisanhip Private Limited<br>(incorporated on 14 October 2020) | Manufacturing of gold jewellery | Senco Gold Limited         | India                    | 100%                                            |

### 4 Significant accounting policies

#### 4.01 Overall consideration

These consolidated financial statements have been prepared on going concern basis using the significant accounting policies and measurement bases summarised below.

These accounting policies have been used throughout all periods presented in the consolidated financial statements, unless otherwise stated.

#### 4.02 Basis of preparation

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ('the Act') and other relevant provisions of the Act (as amended).

The Consolidated financial statements were authorised for issue by the Holding Company's Board of Directors on 21 July 2022. Revision, if any, to the financial statements is permitted by the Board of Directors after obtaining necessary approvals or at the instance of regulatory authorities as per provisions of the Act.

#### 4.03 Functional and presentation currency

These consolidated financial statements are presented in Indian rupee (₹), which is also the Group's functional currency. All amounts have been rounded off to the nearest millions, unless otherwise stated.

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(Amount in ₹ millions, except otherwise stated)

### 4.04 Basis of measurement

The consolidated financial statements have been prepared on historical cost convention on the accrual basis, except for the following items:

| Items                                              | Measurement basis                                                           |
|----------------------------------------------------|-----------------------------------------------------------------------------|
| Derivative assets/liabilities                      | Fair value                                                                  |
| Certain financial assets and financial liabilities | Fair value                                                                  |
| Net defined benefit (asset)/ liability             | Fair value of plan assets less present value of defined benefit obligations |

### 4.05 Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for financial assets and financial liabilities.

The Group has an established control framework with respect to the measurement of fair values. The management has overall responsibility for overseeing all significant fair value measurements and it regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair values is included in note 46.

### 4.06 Current / non-current classification

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Act.

#### Assets

An asset is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realised within 12 months after the reporting date; or
- (d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(Amount in ₹ millions, except otherwise stated)

### Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be settled in the Group's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within 12 months after the reporting date; or
- (d) the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

### Operating cycle

Based on the nature of operations, the Group has ascertained its operating cycle for the purpose of current and non-current classification of assets and liabilities as 12 months. Operating cycle is the time between the purchase of raw materials for processing or purchase of stock-in-trade and their realisation in cash or cash equivalents.

## 4.07 Property, plant and equipment and capital work-in-progress

### Recognition and measurement

Property, plant and equipment are carried at cost of acquisition or construction less accumulated depreciation and impairment losses, if any. The cost of an item of property, plant and equipment comprises its purchase price and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price.

### Subsequent expenditure

Subsequent expenditures related to an item of property, plant and equipment are added to its book value only if it is probable that future economic benefits associated with the item will flow to the enterprise and the cost of the item can be measured reliably.

### Depreciation

Depreciation in respect of all the assets is provided on written down value method over their useful lives, as estimated by the management. Useful lives so estimated are in line with the useful lives indicated by Schedule II of the Act except for lease hold building and lease hold improvements which have been depreciated over the useful lives based on the period of underlying lease agreement. Depreciation is charged on a pro-rata basis for assets purchased/sold during the period.

Depreciation method, useful lives and residual values are reviewed at each financial period-end and adjusted if appropriate. Based on the management evaluation the useful lives as given above best represent the period over which management expects to use these assets.

The estimated useful life of main category of property, plant and equipment are:-

| Class of assets        | Estimated useful life (years) |
|------------------------|-------------------------------|
| Freehold buildings     | 30 years                      |
| Leasehold improvements | 4 to 25 years (*)             |
| Plant and equipment    | 15 years                      |
| Furniture and fitting  | 10 years                      |
| Office equipment       | 5 years                       |
| Vehicles               | 8 years                       |

(\*) Based on the underlying lease term.

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(Amount in ₹ millions, except otherwise stated)

### Capital work-in-progress

Expenditure incurred during the period of construction, including all direct and indirect expenses, incidental and related to construction, is carried forward and on completion, the costs are allocated to the respective property, plant and equipment. Capital work-in-progress also includes assets pending installation and not available for intended use.

### 4.08 Intangible assets

#### Recognition and measurement

Intangible assets that are acquired by the Group are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less accumulated amortisation and accumulated impairment loss, if any.

#### Subsequent expenditure

Subsequent expenditures related to an item of intangible assets are added to its book value only if it is probable that future economic benefits associated with the item will flow to the enterprise and the cost of the item can be measured reliably.

#### Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the written down value method, and is included in depreciation and amortisation in the Statement of Profit and Loss.

| Class of assets   | Estimated useful life (years) |
|-------------------|-------------------------------|
| Computer software | 5 years                       |

Amortisation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

### 4.09 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### Recognition and initial measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in the Statement of Profit and Loss or Other Comprehensive Income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through Other Comprehensive Income ('FVOCI').

#### (i) Non-derivative financial asset

##### Subsequent measurement

##### Financial assets at amortised cost

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding."

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(Amount in ₹ millions, except otherwise stated)

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

### Investments in equity instruments of subsidiaries

These are measured at cost in accordance with Ind AS 27 'Separate Financial Statements'.

### Investments in equity instruments of others

These are measured at fair value through other comprehensive income ('FVOCI')

### De-recognition of financial assets

A financial asset is de-recognised when the contractual rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset.

## (ii) Non-derivative financial liabilities

### Subsequent measurement

Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

### De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

## (iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

## (iv) Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its exposures towards fluctuation in gold prices.

### Cash flow hedge

The Group uses derivative financial instruments to manage risks associated with gold price fluctuations relating to certain highly probable forecasted transactions. The Group has designated derivative financial instruments taken for gold price fluctuations as 'cash flow' hedges relating to highly probable forecasted transactions.

The use of derivative financial instruments is governed by the Group's policies approved by the Board of Directors, which provides principles on the use of such instruments consistent with the Group's risk management strategy.

Hedging instruments are initially measured at fair value, and are re-measured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised in Other Comprehensive Income and accumulated as cash flow hedge reserve and the ineffective portion is recognised immediately in the Statement of Profit and Loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in cash flow hedge reserve is retained until the forecast transaction occurs upon which it

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(Amount in ₹ millions, except otherwise stated)

is recognised in the Statement of Profit and Loss. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss accumulated in cash flow hedge reserve is recognised immediately to the Statement of Profit and Loss.

The Group has designated derivative financial instruments taken for gold price fluctuations as 'cash flow' hedges relating to highly probable forecasted transactions.

### Fair value hedge

The Group designates non-derivative financial liabilities as hedging instruments to mitigate the risk of change in fair value of hedged item due to movement in commodity prices. Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss with an adjustment to the carrying value of the hedged item. The Group has designated the borrowings pertaining to gold taken on loan from banks ('unfixed gold') as a fair value hedge to the corresponding gold inventory purchased on loan.

### 4.10 Inventories

Raw material – Lower of cost or net realisable value. Cost is determined on weight average basis. Cost of raw material comprises of cost of purchase and other costs incurred in bringing the inventory to their present condition and location.

Finished goods – Lower of cost or net realisable value. Cost is determined on weight average basis, includes direct material and labour expenses and appropriate proportion of manufacturing overheads.

Stock-in-trade – Lower of cost or net realisable value. Cost is determined on weight average basis and comprises of cost of purchase and other costs incurred in bringing the inventory to their present condition and location.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

### 4.11 Impairment

#### (i) Impairment of financial instruments: financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its financial assets and the impairment methodology depends on whether there has been a significant increase in credit risk.

##### Trade receivables

In respect of trade receivables, the Group applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

##### Other financial assets

In respect of its other financial assets, the Group assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Group measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Group uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Group compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Group assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

#### (ii) Impairment of non-financial assets

Assessment is done at each balance sheet date as to whether there is any indication that an asset may be impaired. For the purpose of assessing impairment, the smallest identifiable Group of assets that generates cash inflows from

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(Amount in ₹ millions, except otherwise stated)

continuing use that are largely independent of the cash inflows from other assets and Group of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount.

Recoverable amount is higher of an asset's or cash generating unit's selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each balance sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

### 4.12 Employee benefits

The Group's obligations towards various employee benefits have been recognised as follows:

#### Post employment benefits

##### (i) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

##### (ii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Group makes specified monthly contributions for employee provident fund to Government administered provident fund scheme, which are defined contribution plans. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the Statement of Profit and Loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

##### (iii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Group's gratuity benefit scheme is a defined benefit plan. The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements. The Group recognises all actuarial gains and losses arising from defined benefit plan immediately in the Statement of Profit and Loss.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in Other Comprehensive Income (OCI). The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(Amount in ₹ millions, except otherwise stated)

the Statement of profit and Loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

When the benefits of a plan are improved, the portion of the increased benefit related to past service by employees is recognised in Statement of Profit and Loss on a straight-line basis over the average period until the benefits become vested.

### (iv) Other long-term employees benefits

The Group's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return of their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurement gains or losses are recognised in profit or loss in the period in which they arise.

### Compensated absences

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilised wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Group records an obligation for such compensated absences (which includes privilege leave and sick leave) in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method. Remeasurements gains and losses are recognised in the Statement of Profit and Losses in the period in which they arise.

## 4.13 Revenue recognition

### Revenue from sale of goods and rendering of services

Revenue from contracts with customers includes revenue for sale of goods and provision of services. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group determines at contract inception whether each performance obligation will be satisfied (i.e. Control will be transferred) over time or at a point in time.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. Taxes collected on behalf of the government are excluded from revenue. Revenue is recognised to the extent it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably. The Group considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer net of returns, excluding amounts collected on behalf of third parties (for example, taxes) and excluding discounts and incentives, as specified in the contract with customer.

Upfront/one time fees/charges received from franchises at the time of entering into such agreement/ contract is recognised as and when earned.

### Customer loyalty programme

The Group has a customer loyalty programme for its customers. The Group grants credit points to customers as part of a sales transaction and customer referrals which allows them to accumulate and redeem those credit points in future. The Group allocates a portion of the consideration received to loyalty points. This allocation is based on the relative stand-alone selling prices. The amount allocated to the loyalty programme is deferred, and is recognised as revenue when loyalty points are redeemed or the likelihood of the customer redeeming the loyalty points becomes remote.

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(Amount in ₹ millions, except otherwise stated)

### Recognition of dividend income, interest income or expense

Dividend income is recognised in the Statement of Profit and Loss on the date on which the Company's right to receive payment is established. Interest income or expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

### 4.14 Leases

#### Group as a lessee – Right of use assets and lease liabilities

A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

#### Classification of leases

The Group enters into leasing arrangements for various assets. The assessment of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to extend/purchase etc.

#### Recognition and initial measurement of right of use assets

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease (if any), and any lease payments made in advance of the lease commencement date (net of any incentives received).

#### Subsequent measurement of right of use assets

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

#### Lease liabilities

At lease commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments) and variable payments based on an index or rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset.

The Group has elected to account for short-term leases using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these short-term leases are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

Further, the Group has also elected to apply another practical expedient whereby it has assessed all the rent concessions occurring as a direct consequence of the COVID-19 pandemic, basis the following conditions prescribed under the standard:

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(Amount in ₹ millions, except otherwise stated)

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before the 30 June 2022; and
- there is no substantive change to other terms and conditions of the lease.

If all the rent concessions meet the above conditions, then, the related rent concession has been recognised in the Statement of Profit and Loss.

### 4.15 Borrowing cost

Borrowing cost includes interest expense as per effective interest rate (EIR). Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for its intended use or sale. All other borrowing costs are expensed in the period they occur.

### 4.16 Foreign currency

#### Functional and presentation currency

Items included in the consolidated Financial Statements of the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements have been prepared and presented in Indian Rupees (INR), which is the Group's functional and presentation currency.

#### Transactions and balances

Foreign currency transactions are recorded in the functional currency, by applying to the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Foreign currency monetary items outstanding at the balance sheet date are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the Statement of Profit and Loss in the year in which they arise.

### 4.17 Taxes

Tax expense comprises current and deferred tax. Current and deferred tax is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised directly in equity or Other Comprehensive Income ('OCI').

The current income-tax charge is calculated on the basis of the tax laws enacted at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided in full, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income-tax asset is realised or the deferred tax liability is settled. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(Amount in ₹ millions, except otherwise stated)

### 4.18 Cash and cash equivalents

Cash and cash equivalents include cash and cash-on-deposit with banks. The Group considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

### 4.19 Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

### 4.20 Earnings per equity share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### 4.21 Operating segment

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance. Based on such assessment, the Group currently has only one operating segment and two geographical segments viz. Domestic Market and International Market.

### 4.22 Provisions, contingent liabilities and contingent assets

Provisions are recognized when the Group has a present (legal or constructive) obligation as a result of past events, for which it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions required to settle are reviewed regularly and are adjusted where necessary to reflect the current best estimates of the obligation. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed unless the likelihood of an outflow of resources is remote and there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

Contingent assets are disclosed only when inflow of economic benefits therefrom is probable and recognize only when realization of income is virtually certain.

### 4.23 Equity investment

Equity investments in subsidiaries are measured at cost. The investments are reviewed at each reporting date to determine whether there is any indication of impairment considering the provisions of Ind AS 36 'Impairment of Assets'. If any such indication exists, policy for impairment of non-financial assets is followed.

### 4.24 Share based payments - Employee stock option Scheme (ESOP's)

The fair value of options granted under Employee Stock Option Plan is recognized as an employee benefits expense with a corresponding increase in the equity. The total amount to be expensed is determined by reference to the fair value of the options. The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in the Statement of Profit or Loss, with a corresponding adjustment to the equity. Upon exercise of share options, the proceeds received are allocated to the share capital up to the par value of the shares issued with any excess being recorded as securities premium.

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(Amount in ₹ millions, except otherwise stated)

### 4.25 Share issue expenses

Share issue expenses are adjusted against the Securities Premium Account as permissible under Section 52 of the Companies Act, 2013, to the extent any balance is available for utilisation in the Securities Premium Account. Share issue expenses in excess of the balance in the Securities Premium Account is expensed in the Statement of Profit and Loss.

### 4.26 Significant accounting judgments, estimates and assumptions

#### Use of estimates and judgements

The preparation of financial statements requires management to make judgments, estimates and assumptions that may impact the application of accounting policies and the reported value of assets, liabilities, income, expenses and related disclosures concerning the items involved as well as contingent assets and liabilities at the balance sheet date. The estimates and management's judgments are based on previous experience and other factors considered reasonable and prudent in the circumstances. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In order to enhance understanding of the financial statements, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is as under:

Estimates and judgements are continuously evaluated. They are based on historical experience and other factors including expectation of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

#### Useful lives of property, plant and equipment

The Group uses its technical expert along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

The Group has taken certain premises on lease for a period of 4 to 25 years. Under the terms of the related agreement, the lease period may be extended at the option of the lessee. Assets constructed on such leasehold properties are depreciated over their respective lease terms.

#### Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using certain valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as volatility risk, credit risk and volatility.

#### Defined benefit obligation ('DBO')

Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

#### Recognition of deferred tax assets

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Group's future taxable income (supported by reliable evidence) against which the deferred tax assets can be utilized.

#### Evaluation of indicators for impairment of assets

The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(Amount in ₹ millions, except otherwise stated)

### Contingent liabilities

At each balance sheet date basis the management's judgment, changes in facts and legal aspects, the Group assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

### Leases

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Leases ("Ind AS 116"). Identification of a lease requires significant judgment. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(Amount in ₹ millions, except otherwise stated)

### 5 Property, plant and equipment

|                                 | Freehold buildings | Leasehold improvements | Plant and equipment | Furniture and fitting | Office equipment | Vehicles | Total    |
|---------------------------------|--------------------|------------------------|---------------------|-----------------------|------------------|----------|----------|
| <b>Gross block</b>              |                    |                        |                     |                       |                  |          |          |
| Balance as at 1 April 2020      | 589.58             | 120.90                 | 292.13              | 360.32                | 38.11            | 27.22    | 1,428.26 |
| Additions for the year          | 9.07               | 15.04                  | 34.31               | 48.30                 | 8.85             | -        | 115.57   |
| Adjustment during the year      | -                  | -                      | (3.53)              | -                     | (0.40)           | -        | (3.93)   |
| Disposals during the year       | -                  | -                      | (0.49)              | -                     | -                | (1.92)   | (2.41)   |
| Balance as at 31 March 2021     | 598.65             | 135.94                 | 322.42              | 408.62                | 46.56            | 25.30    | 1,537.49 |
| Additions for the period        | -                  | 26.54                  | 69.03               | 63.51                 | 27.38            | 1.69     | 188.15   |
| Disposals during the period     | -                  | -                      | -                   | -                     | -                | -        | -        |
| Balance as at 31 March 2022     | 598.65             | 162.48                 | 391.45              | 472.13                | 73.94            | 26.99    | 1,725.64 |
| <b>Accumulated depreciation</b> |                    |                        |                     |                       |                  |          |          |
| Balance as at 1 April 2020      | 189.65             | 60.73                  | 149.77              | 242.03                | 28.29            | 8.73     | 679.20   |
| Charge for the year             | 41.38              | 27.92                  | 41.70               | 64.78                 | 7.93             | 5.36     | 189.07   |
| Adjustment during the year      | -                  | -                      | (3.26)              | -                     | (0.37)           | -        | (3.63)   |
| Disposals during the year       | -                  | -                      | (0.43)              | -                     | -                | (0.56)   | (0.99)   |
| Balance as at 31 March 2021     | 231.03             | 88.65                  | 187.78              | 306.81                | 35.85            | 13.53    | 863.65   |
| Charge for the period           | 30.53              | 8.68                   | 54.43               | 56.23                 | 17.28            | 3.84     | 170.99   |
| Balance as at 31 March 2022     | 261.56             | 97.33                  | 242.21              | 363.04                | 53.13            | 17.37    | 1,034.64 |
| <b>Net block</b>                |                    |                        |                     |                       |                  |          |          |
| As at 31 March 2021             | 367.62             | 47.29                  | 134.64              | 101.81                | 10.71            | 11.77    | 673.84   |
| As at 31 March 2022             | 337.09             | 65.15                  | 149.24              | 109.09                | 20.81            | 9.62     | 691.00   |

Notes:

(a) **Contractual obligations:** Refer note 43 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(b) **Refer note 20 for property, plant and equipment pledged as security.**

(c) Title deeds of immovable properties not held in the name of the Group:

| Particulars                   | Description of the item of property | Gross carrying value | Title deeds held in the name of        | Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter or director | Property held since which date | Reason for not being held in the name of the Company |
|-------------------------------|-------------------------------------|----------------------|----------------------------------------|------------------------------------------------------------------------------------------------------------------------|--------------------------------|------------------------------------------------------|
| <b>As at 31 March 2022</b>    |                                     |                      |                                        |                                                                                                                        |                                |                                                      |
| Property, plant and equipment | Building                            | 87.23                | Addyashakti Properties Private Limited | No                                                                                                                     | 01 April 2015                  | Refer note (a) below                                 |
|                               | Building                            | 142.69               | Addyashakti Properties Private Limited | No                                                                                                                     | 01 April 2015                  | Refer note (a) below                                 |
|                               | Building                            | 6.94                 | Senco Gold Impex Private Limited       | No                                                                                                                     | 14 March 2007                  | Refer note (a) below                                 |
|                               | Building                            | 16.57                | Senco Gold Private Limited             | No                                                                                                                     | 06 December 2006               | Refer note (b) below                                 |

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(Amount in ₹ millions, except otherwise stated)

### 5 Property, plant and equipment (Contd.)

| Particulars                   | Description of the item of property | Gross carrying value | Title deeds held in the name of        | Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter or director | Property held since which date | Reason for not being held in the name of the Company |
|-------------------------------|-------------------------------------|----------------------|----------------------------------------|------------------------------------------------------------------------------------------------------------------------|--------------------------------|------------------------------------------------------|
| As at 31 March 2021           |                                     |                      |                                        |                                                                                                                        |                                |                                                      |
| Property, plant and equipment | Building                            | 87.23                | Addyashakti Properties Private Limited | No                                                                                                                     | 01 April 2015                  | Refer note (a) below                                 |
|                               | Building                            | 142.69               | Addyashakti Properties Private Limited | No                                                                                                                     | 01 April 2015                  | Refer note (a) below                                 |
|                               | Building                            | 6.94                 | Senco Gold Impex Private Limited       | No                                                                                                                     | 14 March 2007                  | Refer note (a) below                                 |
|                               | Building                            | 16.57                | Senco Gold Private Limited             | No                                                                                                                     | 06 December 2006               | Refer note (b) below                                 |

(a) The said properties were transferred as a result of merger of the said entities into the Holding Company in the previous years. The management of the Holding Company is in the process of getting the title deeds transferred in their name.

(b) This property is held by the Holding Company in its erstwhile name. The management of the Holding Company is in the process of getting the title deeds transferred in their name.

### 6 Capital work-in-progress (CWIP)

|                                         | As at<br>31 March 2022 | As at<br>31 March 2021 |
|-----------------------------------------|------------------------|------------------------|
| Balance as at the beginning of the year | 24.38                  | 41.93                  |
| Addition for the year                   | 138.18                 | 71.54                  |
| Capitalised during the year             | (97.42)                | (89.09)                |
| Balance as at the end of the year       | 65.14                  | 24.38                  |

Notes:

(a) CWIP ageing schedule :

| Particulars          | Amount of CWIP for a period of: |           |           |                   |       |
|----------------------|---------------------------------|-----------|-----------|-------------------|-------|
|                      | Less than 1 year                | 1-2 years | 2-3 years | More than 3 years | Total |
| As at 31 March 2022: |                                 |           |           |                   |       |
| Retail stores        | 46.17                           | 0.22      | 0.18      | 18.57             | 65.14 |
| As at 31 March 2021: |                                 |           |           |                   |       |
| Retail stores        | 5.41                            | 18.97     | -         | -                 | 24.38 |

(b) CWIP completion schedule for capital work in progress, whose completion is overdue, compared to its original plan:

| Particulars          | Amount of CWIP for a period of: |           |           |                   |       |
|----------------------|---------------------------------|-----------|-----------|-------------------|-------|
|                      | Less than 1 year                | 1-2 years | 2-3 years | More than 3 years | Total |
| As at 31 March 2022: |                                 |           |           |                   |       |
| Retail store         | 18.97                           | -         | -         | -                 | 18.97 |
| As at 31 March 2021: |                                 |           |           |                   |       |
| Retail store         | -                               | 18.97     | -         | -                 | 18.97 |

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(Amount in ₹ millions, except otherwise stated)

### 6 Right-of-use assets

| Particulars                     | Building | Total    |
|---------------------------------|----------|----------|
| <b>Gross block</b>              |          |          |
| Balance as at 1 April 2020      | 1,416.77 | 1,416.77 |
| Additions during the year       | 371.25   | 371.25   |
| Balance as at 31 March 2021     | 1,788.02 | 1,788.02 |
| Additions during the year       | 346.69   | 346.69   |
| Deletions during the period     | (8.47)   | (8.47)   |
| Balance as at 31 March 2022     | 2,126.24 | 2,126.24 |
| <b>Accumulated depreciation</b> |          |          |
| Balance as at 1 April 2020      | 170.74   | 170.74   |
| Charge for the year             | 200.02   | 200.02   |
| Balance as at 31 March 2021     | 370.76   | 370.76   |
| Charge for the year             | 241.60   | 241.60   |
| Deletions during the year       | (2.32)   | (2.32)   |
| Balance as at 31 March 2022     | 610.04   | 610.04   |
| Net block as on 31 March 2021   | 1,417.26 | 1,417.26 |
| Net block as on 31 March 2022   | 1,516.20 | 1,516.20 |

Notes:

- (a) The Group as a lessee has obtained certain assets such as immovable properties on various leasing arrangements for the purposes of setting up of retail stores, work-shops and guest houses. With the exception of short-term leases and leases of low value underlying assets, each lease is reflected on the balance sheet as a right-to-use asset and a lease liability. Variable lease payment which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and right-of-use assets. The Group has presented its right-of-use assets separately from other assets. Each lease generally imposes a restriction that unless there is a contractual right for the Group to sub-lease the asset to another party, the right-of-use asset can only be used by the group. Some lease contain an option to extend the lease for a further term.

- (b) Additional information on extension/ termination options:

Extension and termination options are included in a number of property lease arrangements of the group. These are used to maximise operational flexibility in terms of managing the assets used in the group's operations. The majority of extension and termination options held are exercisable are based on consent of the group.

- (c) There are no leases which are yet to commence as on 31 March 2022.

- (d) Lease payments, not included in measurement of liability

The Group has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. The expense relating to payments not included in the measurement of the lease liability is as follows:

| Particulars             | Year ended<br>31 March 2022 | Year ended<br>31 March 2021 |
|-------------------------|-----------------------------|-----------------------------|
| Short-term leases       | 3.45                        | 1.53                        |
| Cancellable leases      | 39.68                       | 52.31                       |
| Variable lease payments | 7.68                        | 6.30                        |
|                         | 50.81                       | 60.14                       |

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(Amount in ₹ millions, except otherwise stated)

### 7 Right-of-use assets (Contd.)

(e) Total undiscounted future lease payments relating to underlying leases are as follows:

| Particulars         | Within 1 year | 1-2 years | 2-5 years | More than 5 years | Total    |
|---------------------|---------------|-----------|-----------|-------------------|----------|
| As at 31 March 2021 |               |           |           |                   |          |
| Lease payments      | 362.48        | 347.49    | 880.34    | 1,089.17          | 2,679.48 |
|                     | 362.48        | 347.49    | 880.34    | 1,089.17          | 2,679.48 |
| As at 31 March 2022 |               |           |           |                   |          |
| Lease payments      | 319.26        | 305.96    | 798.91    | 1,069.94          | 2,494.07 |
|                     | 319.26        | 305.96    | 798.91    | 1,069.94          | 2,494.07 |

(f) Amount recognised in the Balance Sheet:

| Particulars             | As at 31 March 2022 | As at 31 March 2021 |
|-------------------------|---------------------|---------------------|
| (i) Right-of-use assets |                     |                     |
| Buildings               | 1,516.20            | 1,417.26            |
|                         | 1,516.20            | 1,417.26            |
| (ii) Lease liabilities  |                     |                     |
| Non-current             | 1,451.03            | 1,327.63            |
| Current                 | 178.61              | 146.03              |
|                         | 1,629.64            | 1,473.66            |

(g) Amount recognised in the consolidated Statement of Profit and Loss:

| Particulars                                      | As at 31 March 2022 | As at 31 March 2021 |
|--------------------------------------------------|---------------------|---------------------|
| (i) Depreciation and amortisation expense:       |                     |                     |
| Building                                         | 241.60              | 200.02              |
| (ii) Interest expense (included in finance cost) | 190.41              | 165.30              |

(h) Information about extension and termination options

| Right-of-use assets       | Number of leases | Range of remaining term (in years) | Average remaining lease term (in years) | Number of leases with extension option | Number of leases with purchase option | Number of leases with termination option |
|---------------------------|------------------|------------------------------------|-----------------------------------------|----------------------------------------|---------------------------------------|------------------------------------------|
| Building premises         | 78               | 1.11 to 18.11                      | 5.61                                    | 78                                     | -                                     | 78                                       |
| Other plant and equipment | 3                | 6.34                               | 6.34                                    | 3                                      | -                                     | 3                                        |
| Land                      | 2                | 30                                 | 30                                      | -                                      | -                                     | -                                        |

(i) Refer C140note 21 for lease liabilities and note 33 for finance costs on lease liabilities.

(j) The Group has renegotiated with certain landlords on the rent reduction/ waiver due to COVID 19 pandemic. The management believes that such reduction/ waiver in rent is short-term in nature and also meets the other conditions specified in the notification issued by the Central Government in consultation with National Financial Reporting Authority dated 24 July 2020 as Companies (Indian Accounting Standards) Amendment Rules, 2020 with effect from 1 April 2020. Accordingly, the impact of all such rent concessions received during the year has been recorded under "Other income" in the Consolidated Statement of Profit and Loss, amounting to ₹29.34 millions (year ended 31 March 2021: ₹29.83 millions;).

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(Amount in ₹ millions, except otherwise stated)

### 8 Other intangible assets

| Particulars                  | As at<br>31 March 2022 | As at<br>31 March 2021 |
|------------------------------|------------------------|------------------------|
| Computer software            |                        |                        |
| Gross block                  |                        |                        |
| At the beginning of the year | 57.78                  | 50.94                  |
| Additions during the year    | 5.80                   | 6.84                   |
| At the end of the year       | 63.58                  | 57.78                  |
| Accumulated amortisation     |                        |                        |
| At the beginning of the year | 30.43                  | 23.81                  |
| Amortisation for the year    | 8.56                   | 6.62                   |
| At the end of the year       | 38.99                  | 30.43                  |
| Net block                    | 24.59                  | 27.35                  |

### 9 Investments

#### Investment in equity instrument - unquoted

|                                                                                                                 | As at<br>31 March 2022 | As at<br>31 March 2021 |
|-----------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| (a) Others                                                                                                      |                        |                        |
| (Measured at fair value through other comprehensive income)                                                     |                        |                        |
| 2,700 shares in Diamond Prestige Occupants Association, fully paid-up (31 March 2021: 2,400 shares) of ₹10 each | 0.26                   | 0.26                   |
|                                                                                                                 | 0.26                   | 0.26                   |
| Note:                                                                                                           |                        |                        |
| Aggregate amount of quoted investments and market value thereof:                                                | -                      | -                      |
| Aggregate amount of unquoted investments:                                                                       | 0.26                   | 0.26                   |
| Aggregate amount of impairment in value of investments:                                                         | -                      | -                      |

### 10 Other financial assets (Unsecured, considered good)

| Particulars                                                               | As at<br>31 March 2022 | As at<br>31 March 2021 |
|---------------------------------------------------------------------------|------------------------|------------------------|
| Non - current                                                             |                        |                        |
| Security deposits                                                         | 142.87                 | 131.81                 |
| Bank deposits with maturity of more than 12 months [refer note (a) below] | 23.65                  | 136.50                 |
|                                                                           | 166.52                 | 268.31                 |
| Current                                                                   |                        |                        |
| Security deposits                                                         | 79.56                  | 130.00                 |
| Interest accrued but not due on fixed deposits                            | 23.07                  | 11.35                  |
| Margin money with brokers                                                 | 437.25                 | 394.19                 |
| Mark to market gain on gold future contracts                              | 46.23                  | -                      |
| Other receivables                                                         | 2.55                   | 1.32                   |
|                                                                           | 588.66                 | 536.86                 |

Notes:

- (a) Includes deposits maintained for the jewellery purchase schemes for compliance with the Companies (Acceptance of Deposit) Rules, 2014 as per the Companies Act 2013, as amended, amounting to ₹23.50 millions (31 March 2021: ₹119.00 millions).

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(Amount in ₹ millions, except otherwise stated)

### 11 Deferred tax assets (net)

| Particulars                                                                | As at<br>31 March 2022 | As at<br>31 March 2021 |
|----------------------------------------------------------------------------|------------------------|------------------------|
| <b>Deferred tax assets arising on account of:</b>                          |                        |                        |
| Property, plant and equipment and other intangible assets                  | 54.16                  | 40.77                  |
| Provision for expense allowed for tax purpose on payment basis             | 43.46                  | 57.27                  |
| Provision for employee benefits expense                                    | 4.07                   | 7.83                   |
| Impact of right-of-use asset and lease liabilities                         | 60.76                  | 40.99                  |
| Other financial liabilities                                                | (0.02)                 | 0.02                   |
| Other adjustments                                                          | 0.00                   | 0.31                   |
| <b>Total deferred tax assets</b>                                           | <b>162.43</b>          | <b>147.19</b>          |
| <b>Deferred tax liabilities arising on account of:</b>                     |                        |                        |
| Fair valuation of financial instruments through other comprehensive income | (0.06)                 | (0.06)                 |
| Loans                                                                      | (20.91)                | (20.08)                |
| Other adjustments                                                          | (0.19)                 | -                      |
| <b>Total deferred tax liabilities</b>                                      | <b>(21.16)</b>         | <b>(20.14)</b>         |
| <b>Deferred tax assets (net)</b>                                           | <b>141.27</b>          | <b>127.05</b>          |

#### (a) Movement in deferred tax assets/(liabilities)

| Particulars                                                                | Balance as at<br>the beginning<br>of the year | Recognised in<br>the Statement<br>of Profit and<br>Loss | Recognised<br>in Other<br>Comprehensive<br>Income | Balance as at<br>the end of the<br>year |
|----------------------------------------------------------------------------|-----------------------------------------------|---------------------------------------------------------|---------------------------------------------------|-----------------------------------------|
| <b>Year ended 31 March 2022:</b>                                           |                                               |                                                         |                                                   |                                         |
| <b>Deferred tax assets arising on account of:</b>                          |                                               |                                                         |                                                   |                                         |
| Property, plant and equipment and other intangible assets                  | 40.77                                         | 13.39                                                   | -                                                 | 54.16                                   |
| Provision for expense allowed for tax purpose on payment basis             | 57.27                                         | (13.81)                                                 | -                                                 | 43.46                                   |
| Provision for employee benefits expense                                    | 7.83                                          | (2.45)                                                  | (1.31)                                            | 4.07                                    |
| Impact of right-of-use asset and lease liabilities                         | 40.99                                         | 19.77                                                   | -                                                 | 60.76                                   |
| Other financial liabilities                                                | 0.02                                          | (0.04)                                                  | -                                                 | (0.02)                                  |
| Other adjustments                                                          | 0.31                                          | 1.10                                                    | (1.41)                                            | 0.00                                    |
| <b>Deferred tax liabilities arising on account of:</b>                     |                                               |                                                         |                                                   |                                         |
| Fair valuation of financial instruments through other comprehensive income | (0.06)                                        | -                                                       | -                                                 | (0.06)                                  |
| Loans                                                                      | (20.08)                                       | (0.83)                                                  | -                                                 | (20.91)                                 |
| Other adjustments                                                          | -                                             | (0.19)                                                  | -                                                 | (0.19)                                  |
|                                                                            | <b>127.05</b>                                 | <b>16.94</b>                                            | <b>(2.72)</b>                                     | <b>141.27</b>                           |
| <b>Year ended 31 March 2021:</b>                                           |                                               |                                                         |                                                   |                                         |
| <b>Deferred tax assets arising on account of:</b>                          |                                               |                                                         |                                                   |                                         |
| Property, plant and equipment and other intangible assets                  | 20.04                                         | 20.73                                                   | -                                                 | 40.77                                   |
| Provision for expense allowed for tax purpose on payment basis             | 28.15                                         | 29.12                                                   | -                                                 | 57.27                                   |
| Provision for employee benefits expense                                    | 6.37                                          | 0.51                                                    | 0.95                                              | 7.83                                    |
| Impact of right-of-use asset and lease liabilities                         | 20.95                                         | 20.04                                                   | -                                                 | 40.99                                   |
| Other financial liabilities                                                | -                                             | 0.02                                                    | -                                                 | 0.02                                    |
| Other adjustments                                                          | 7.11                                          | (8.21)                                                  | 1.41                                              | 0.31                                    |

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(Amount in ₹ millions, except otherwise stated)

### 11 Deferred tax assets (net) (Contd.)

| Particulars                                                                | Balance as at the beginning of the year | Recognised in the Statement of Profit and Loss | Recognised in Other Comprehensive Income | Balance as at the end of the year |
|----------------------------------------------------------------------------|-----------------------------------------|------------------------------------------------|------------------------------------------|-----------------------------------|
| Deferred tax liabilities arising on account of:                            |                                         |                                                |                                          |                                   |
| Fair valuation of financial instruments through other comprehensive income | (0.06)                                  | -                                              | -                                        | (0.06)                            |
| Loans                                                                      | (19.52)                                 | (0.56)                                         | -                                        | (20.08)                           |
| Other financial liabilities                                                | (0.67)                                  | 0.67                                           | -                                        | -                                 |
| Other adjustments                                                          | (3.65)                                  | 3.65                                           | -                                        | -                                 |
|                                                                            | 58.72                                   | 65.97                                          | 2.36                                     | 127.05                            |

### 12 Income-tax assets

| Particulars                                                                                                     | As at 31 March 2022 | As at 31 March 2021 |
|-----------------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| Advance tax recoverable (net of provision for tax of ₹1,362.10 millions)<br>(31 March 2021: ₹1,361.01 millions) | 180.36              | 185.18              |
|                                                                                                                 | 180.36              | 185.18              |

### 13 Other non-current and current assets

| Particulars                                                  | As at 31 March 2022 | As at 31 March 2021 |
|--------------------------------------------------------------|---------------------|---------------------|
| <b>Non-current</b>                                           |                     |                     |
| Capital advances                                             | 184.67              | 176.03              |
| Advances other than capital advances:                        |                     |                     |
| - Prepaid expenses                                           | 18.12               | 12.03               |
|                                                              | 202.79              | 188.06              |
| <b>Current</b>                                               |                     |                     |
| Balance with statutory authorities                           | 181.49              | 100.05              |
| Prepaid expenses                                             | 65.25               | 32.83               |
| Advance to suppliers                                         | 15.22               | 21.13               |
| Contract assets [refer note (a) below]                       | 54.93               | 38.93               |
| Initial public offer ('IPO') expenses [refer note (b) below] | 13.61               | -                   |
|                                                              | 330.50              | 192.94              |

Note:

- (a) Contract assets represents the amount of goods expected to be received by the Group on account of sales return.  
(b) Unamortised IPO related expenses:

The Holding Company is in the process of launching its initial public offer ('IPO') of equity shares and accordingly has filed its draft offer documents with the Securities and Exchange Board of India ('SEBI') on 14 April 2022, and has incurred aforementioned expenses in connection with the said public offer. These IPO related expenses will be adjusted largely against the securities premium to the extent permissible under Section 52 of the Companies Act, 2013 on successful completion of the issue.

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(Amount in ₹ millions, except otherwise stated)

### 14 Inventories (Valued at lower of cost and net realizable value)

| Particulars    | As at<br>31 March 2022 | As at<br>31 March 2021 |
|----------------|------------------------|------------------------|
| Raw materials  | 1,461.02               | 2,117.21               |
| Stock-in-trade | 2,749.60               | 1,870.66               |
| Finished goods | 9,701.83               | 6,406.86               |
|                | 13,912.45              | 10,394.73              |

Note:

(a) Refer note 20 for information on inventories pledged as security by the group.

### 15 Trade receivables

| Particulars                               | As at<br>31 March 2022 | As at<br>31 March 2021 |
|-------------------------------------------|------------------------|------------------------|
| Considered good - Unsecured               | 393.98                 | 275.59                 |
| Credit impaired                           | 23.12                  | 25.56                  |
|                                           | 417.10                 | 301.15                 |
| Less: Allowances for expected credit loss | (23.12)                | (25.56)                |
|                                           | 393.98                 | 275.59                 |

Notes:

(a) The movement in allowances for credit losses is as follows:

| Particulars                            | As at<br>31 March 2022 | As at<br>31 March 2021 |
|----------------------------------------|------------------------|------------------------|
| Balance as at beginning of the year    | 25.56                  | 22.77                  |
| Addition / (reversals) during the year | (2.44)                 | 2.79                   |
| Balance at the end of the year         | 23.12                  | 25.56                  |

(b) Trade receivables ageing schedule is as follows:

| Particulars                       | Outstanding for following periods from due date of payment |                      |              |              |                      |        |
|-----------------------------------|------------------------------------------------------------|----------------------|--------------|--------------|----------------------|--------|
|                                   | Less than<br>6 months                                      | 6 months<br>- 1 year | 1-2<br>years | 2-3<br>years | More than<br>3 years | Total  |
| <b>As at 31 March 2022</b>        |                                                            |                      |              |              |                      |        |
| (i) Undisputed trade receivables: |                                                            |                      |              |              |                      |        |
| - considered good                 | 388.05                                                     | 0.43                 | 0.53         | 4.97         | -                    | 393.98 |
| - considered doubtful             | -                                                          | -                    | -            | -            | -                    | -      |
| (ii) Disputed trade receivables:  |                                                            |                      |              |              |                      |        |
| - considered good                 | -                                                          | -                    | -            | -            | -                    | -      |
| - considered doubtful             | -                                                          | -                    | -            | 23.12        | -                    | 23.12  |
| <b>As at 31 March 2021</b>        |                                                            |                      |              |              |                      |        |
| (i) Undisputed trade receivables: |                                                            |                      |              |              |                      |        |
| - considered good                 | 247.57                                                     | -                    | 28.02        | -            | -                    | 275.59 |
| - considered doubtful             | -                                                          | -                    | 2.87         | -            | -                    | 2.87   |
| (ii) Disputed trade receivables:  |                                                            |                      |              |              |                      |        |
| - considered good                 | -                                                          | -                    | -            | -            | -                    | -      |
| - considered doubtful             | -                                                          | -                    | -            | 22.69        | -                    | 22.69  |

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(Amount in ₹ millions, except otherwise stated)

### 15 Trade receivables (Contd.)

- (c) Refer note 45 for information about credit risk and market risk of trade receivables.
- (d) There are no outstanding debts due from directors or other officers of the group.
- (e) Refer note 20 for information on trade receivables pledged as security by the group.

### 16 Cash and cash equivalents

| Particulars                                     | As at<br>31 March 2022 | As at<br>31 March 2021 |
|-------------------------------------------------|------------------------|------------------------|
| Balances with banks in current accounts (*)     | 29.24                  | 58.22                  |
| Fixed deposits with maturity less than 3 months | 47.44                  | -                      |
| Cash on hand                                    | 15.98                  | 23.72                  |
| Cheques on hand                                 | 2.78                   | 3.19                   |
|                                                 | <b>95.44</b>           | <b>85.13</b>           |

(\*) The balance in current account includes funds in transit primarily for credit card and online receipts, yet to be credited to the Group amounting to ₹22.21 millions (31 March 2021: ₹26.06 millions)

### 17 Other bank balances

| Particulars                                                                                       | As at<br>31 March 2022 | As at<br>31 March 2021 |
|---------------------------------------------------------------------------------------------------|------------------------|------------------------|
| Bank deposits held as margin money and earmarked against other commitments [refer note (a) below] | 1,487.89               | 520.54                 |
| Balances with banks in current accounts [refer note (b), (c) and (d) below]                       | 1,204.80               | 675.49                 |
|                                                                                                   | <b>2,692.69</b>        | <b>1,196.03</b>        |

#### Notes:

- (a) Includes deposits maintained for the jewellery purchase schemes for compliance with the Companies (Acceptance of Deposit) Rules, 2014 as per the Companies Act 2013, as amended, amounting to ₹119.00 millions (31 March 2021: Nil)
- (b) Includes amounts held as margin monies with the banks as security amounting to ₹1,199.67 millions (31 March 2021: ₹360.69 millions)
- (c) Includes amounts held in unpaid dividend account with the banks amounting to ₹5.13 millions (31 March 2021: ₹92.76 millions)

### 18 Share capital

| Particulars                                                                                                                                                                  | As at<br>31 March 2022 | As at<br>31 March 2021 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| <b>Authorised</b>                                                                                                                                                            |                        |                        |
| 10,00,00,000 equity shares of ₹10 each (31 March 2021: 100,000,000 equity shares)                                                                                            | 1,000.00               | 1,000.00               |
| 14,000,000 0.01% compulsorily convertible non-cumulative preference shares of ₹10 each (31 March 2021: 14,000,000 compulsorily convertible non-cumulative preference shares) | 140.00                 | 140.00                 |
|                                                                                                                                                                              | <b>1,140.00</b>        | <b>1,140.00</b>        |
| <b>Issued, subscribed and paid up</b>                                                                                                                                        |                        |                        |
| 53,186,112 equity shares of ₹10 each (31 March 2021: 53,186,112 equity shares)                                                                                               | 531.86                 | 531.86                 |
| 13,296,153 0.01% compulsorily convertible non-cumulative preference shares of ₹10 each (31 March 2021: 13,296,153 compulsorily convertible non-cumulative preference shares) | 132.96                 | 132.96                 |
|                                                                                                                                                                              | <b>664.82</b>          | <b>664.82</b>          |

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(Amount in ₹ millions, except otherwise stated)

### 18 Share capital (Contd.)

#### (a) Reconciliation of shares outstanding at the beginning and at the end of the reporting period:

| Particulars                                                     | As at 31 March 2022 |        | As at 31 March 2021 |        |
|-----------------------------------------------------------------|---------------------|--------|---------------------|--------|
|                                                                 | Number of shares    | Amount | Number of shares    | Amount |
| <b>Equity shares</b>                                            |                     |        |                     |        |
| Balance as at the beginning of the year                         | 53,186,112          | 531.86 | 53,186,112          | 531.86 |
| Add: Shares issued during the year                              | -                   | -      | -                   | -      |
| Balance as at the end of the year                               | 53,186,112          | 531.86 | 53,186,112          | 531.86 |
| <b>Instruments entirely equity in nature</b>                    |                     |        |                     |        |
| 0.01% compulsorily convertible non-cumulative preference shares |                     |        |                     |        |
| Balance as at the beginning of the year                         | 13,296,153          | 132.96 | 13,296,153          | 132.96 |
| Add: Shares issued during the year                              | -                   | -      | -                   | -      |
| Balance as at the end of the year                               | 13,296,153          | 132.96 | 13,296,153          | 132.96 |

#### (b) Terms and rights attached to shares

##### Rights, preferences and restrictions attached to equity shares

The Holding Company has a single class of equity shares having face value of ₹10/- each. Accordingly, all equity shares rank equally with regard to dividends and share in the Holding Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Holding Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. Failure to pay any amount called up on shares may lead to forfeiture of the shares. On winding up of the Holding Company, the holders of equity shares will be entitled to receive the residual assets of the Holding Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

##### Rights, preferences and restrictions attached to compulsorily convertible non-cumulative preference shares

Compulsorily convertible non-cumulative preference shares were issued at par on 8 October 2014 and each share is convertible into one equity share of par value ₹10 at any time on or after 8 October 2014 but not later than 7 October 2034. The Board of Directors of the Holding Company have the power to decide the appropriate mechanism for transfer/buy back of these shares, in case the same is exercised by the holder of such preference shares. The holders of these shares are entitled to a non-cumulative dividend of 0.01% of the face value of the preference shares. The holders of the preference shares are also entitled to participate in dividend and capital distributed by the Holding over and above the preference dividend on as-if converted basis pari passu with the holders of the equity shares of the Holding Company.

Preference shares carry a preferential right as to dividend over equity shareholders. Where dividend on preference shares is not declared for a financial year, the entitlement thereto in the case of non-cumulative preference shares for that year lapses. The preference shares are entitled to one vote per share at meetings of the Holding Company on any resolutions of the Holding Company directly affecting their rights as mentioned in their shareholder agreement. In the event of liquidation, preference shareholders have a preferential right over equity shareholders to be repaid to the extent of capital paid-up on such shares.

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(Amount in ₹ millions, except otherwise stated)

### 18 Share capital (Contd.)

#### (c) Particulars of shareholders holding more than 5% shares of a class of shares

| Particulars                                                                                                                                                              | 31 March 2022    |                   | 31 March 2021    |                   |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|-------------------|------------------|-------------------|
|                                                                                                                                                                          | Number of shares | % of shareholding | Number of shares | % of shareholding |
| <b>(i) Equity shares</b>                                                                                                                                                 |                  |                   |                  |                   |
| Equity shares of ₹10 each fully paid up, held by:                                                                                                                        |                  |                   |                  |                   |
| Jai Hanuman Shri Siddhivinayak Trust [Trustees - Mr. Suvankar Sen, Mrs. Joita Sen (with effect from (w.e.f.) 14 April 2021) and late Mr. Sankar Sen (upto 28 July 2020)] | 34,436,529       | 64.75%            | 34,436,529       | 64.75%            |
| Om Gaan Ganpataye Bajrangbali Trust [Trustees - Mr. Suvankar Sen and Mrs. Ranjana Sen (w.e.f. 14 April 2021) and late Mr. Sankar Sen (upto 28 July 2020)]                | 5,334,246        | 10.03%            | 5,334,246        | 10.03%            |
| Legal heir(s) of late Mr. Sankar Sen (*)                                                                                                                                 | 5,694,603        | 10.71%            | 5,694,603        | 10.71%            |
| Mr. Suvankar Sen                                                                                                                                                         | 6,196,365        | 11.65%            | 6,196,365        | 11.65%            |
|                                                                                                                                                                          | 51,661,743       | 97.14%            | 51,661,743       | 97.14%            |

(\*) The management is in the process of transferring these shares to the legal heirs of Late Mr. Sankar Sen, post his demise on 28 July 2020.

| Particulars                                                     | 31 March 2022    |                   | 31 March 2021    |                   |
|-----------------------------------------------------------------|------------------|-------------------|------------------|-------------------|
|                                                                 | Number of shares | % of shareholding | Number of shares | % of shareholding |
| <b>(i) Instruments entirely equity in nature</b>                |                  |                   |                  |                   |
| 0.01% compulsorily convertible non-cumulative preference shares |                  |                   |                  |                   |
| Saif Partners India IV Limited, Mauritius                       | 13,296,153       | 100.00%           | 13,296,153       | 100.00%           |

#### (d) Shareholding of promoters are as follows:

| Promoter Name                                                                                                                                                            | No. of shares | % of total shares | % change during the period |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-------------------|----------------------------|
| <b>As at 31 March 2022</b>                                                                                                                                               |               |                   |                            |
| Jai Hanuman Shri Siddhivinayak Trust [Trustees - Mr. Suvankar Sen, Mrs. Joita Sen (with effect from (w.e.f.) 14 April 2021) and late Mr. Sankar Sen (upto 28 July 2020)] | 34,436,529    | 64.75%            | 0.00%                      |
| Om Gaan Ganpataye Bajrangbali Trust [Trustees - Mr. Suvankar Sen and Mrs. Ranjana Sen (w.e.f. 14 April 2021) and late Mr. Sankar Sen (upto 28 July 2020)]                | 5,334,246     | 10.03%            | 0.00%                      |
| Legal heir(s) of late Mr. Sankar Sen (*)                                                                                                                                 | 5,694,603     | 10.71%            | 0.00%                      |
| Mr. Suvankar Sen                                                                                                                                                         | 6,196,365     | 11.65%            | 0.00%                      |
| <b>As at 31 March 2021</b>                                                                                                                                               |               |                   |                            |
| Jai Hanuman Shri Siddhivinayak Trust [Trustees - Mr. Suvankar Sen and late Mr. Sankar Sen (upto 28 July 2020)]                                                           | 34,436,529    | 64.75%            |                            |
| Om Gaan Ganpataye Bajrangbali Trust [Trustees - Mr. Suvankar Sen and late Mr. Sankar Sen (upto 28 July 2020)]                                                            | 5,334,246     | 10.03%            |                            |
| Legal heir(s) of late Mr. Sankar Sen (*)                                                                                                                                 | 5,694,603     | 10.71%            |                            |
| Mr. Suvankar Sen                                                                                                                                                         | 6,196,365     | 11.65%            |                            |

(\*) The management is in the process of transferring these shares to the legal heirs of Late Mr. Sankar Sen, post his demise on 28 July 2020.

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(Amount in ₹ millions, except otherwise stated)

### 18 Share capital (Contd.)

#### (e) Equity shares reserved for issue under options and contracts/ Commitments for sale of share/ disinvestment:

|                                                                                    | Number      | Amount |
|------------------------------------------------------------------------------------|-------------|--------|
| As at 31 March 2022:                                                               |             |        |
| - Compulsorily convertible non-cumulative preference shares [refer note (b) above] | 1,32,96,153 | 132.96 |
| - Employee's share based payment plans (refer note 40)                             | 181,600     | 1.82   |
| As at 31 March 2021 [refer note (b) above]                                         |             |        |
| - Compulsorily convertible non-cumulative preference shares [refer note (b) above] | 1,32,96,153 | 132.96 |

#### (f) For the period of five years immediately preceding the date as at which the Balance Sheet is prepared aggregate number and class of shares allotted as fully paid-up by way of bonus shares:

|                                                                   | Number      | Amount |
|-------------------------------------------------------------------|-------------|--------|
| Year ended 31 March 2019                                          |             |        |
| - Equity shares                                                   | 3,54,57,408 | 354.57 |
| - 0.01% compulsorily convertible non-cumulative preference shares | 88,64,102   | 88.64  |

#### Note:

The Board of Directors of the Holding Company at its meeting held on 3 March 2018 had recommended issue of bonus shares, subject to the approval of shareholders in their ensuing general meeting, in the ratio of two equity shares of ₹10 each for every one equity share of ₹10 each and two compulsorily convertible non-cumulative preference shares of ₹10 each for every one compulsorily convertible non-cumulative preference share of ₹10 each of the Holding Company as held by the shareholders as on the record date. The issue of bonus shares was approved by the shareholders of the Holding Company in the Extra Ordinary General Meeting held on 28 March 2018, by way of special resolution, and accordingly, the Holding has allotted 35,457,408 equity shares of ₹10 each and 8,864,102 compulsorily convertible non-cumulative preference shares of ₹10 each on 6 May 2018 to their shareholders.

### 19 Other equity

| Particulars                                                   | As at<br>31 March 2022 | As at<br>31 March 2021 |
|---------------------------------------------------------------|------------------------|------------------------|
| Reserves and surplus                                          |                        |                        |
| Securities premium                                            | 314.35                 | 314.35                 |
| General reserve                                               | 153.64                 | 153.64                 |
| Share based payment reserve                                   | 0.86                   | -                      |
| Special economic re-investment reserve                        | 1.15                   | 1.15                   |
| Retained earnings                                             | 6,124.60               | 4,896.18               |
| Other Comprehensive Income                                    |                        |                        |
| Equity instruments through other comprehensive income ('OCI') | 0.25                   | 0.25                   |
| Cash flow hedge reserve                                       | -                      | (4.19)                 |
|                                                               | 6,594.85               | 5,361.38               |

The description, nature and purpose of each reserve within other equity are as follows:

- Security premium:** Security premium is credited when shares are issued at premium. It is utilised in accordance with the provisions of the Companies Act, 2013.
- General reserve:** The Group had transferred a portion of the net profit of the Group before declaring dividend to general reserve pursuant to the erstwhile provisions of the Companies Act, 1956. Consequent to the introduction of the Companies Act, 2013, there is no such requirement to mandatorily transfer a specified percentage of net profit to general reserve.

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(Amount in ₹ millions, except otherwise stated)

### 18 Share capital (Contd.)

- (c) **Share based payment reserve:** This represents the fair value of the stock options granted by the Group, accumulated over the vesting period. The reserve will be utilised on exercise of the options.
- (d) **Special economic re-investment reserve:** It has been created for the purpose of acquiring machinery or plant which is put to use before the expiry of three years following the previous year in which the reserve was created.
- (e) **Retained earnings:** Retained earnings represents the profits earned by the Group till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.
- (f) **Equity instruments through OCI:** The Group has elected to recognise changes in the fair value of certain investments in equity instruments in other comprehensive income. These changes are accumulated within the equity instruments through OCI shown under the head other equity.
- (g) **Cash flow hedge reserve:** Represents effective portion of cumulative change in fair value of hedging instrument, for which the highly probable forecasted purchase will occur in future.

### 20 Borrowings

| Particulars                                               | As at<br>31 March 2022 | As at<br>31 March 2021 |
|-----------------------------------------------------------|------------------------|------------------------|
| <b>Non - current</b>                                      |                        |                        |
| Vehicle loans (secured):                                  |                        |                        |
| - from financial institutions [refer note (a) below]      | 3.29                   | 4.41                   |
| - from bank [refer note (a) below]                        | 1.92                   | 3.59                   |
|                                                           | 5.20                   | 8.00                   |
| Less: Current maturities of vehicle loans                 | 1.25                   | 3.94                   |
|                                                           | 3.95                   | 4.06                   |
| <b>Current</b>                                            |                        |                        |
| Loans repayable on demand from banks:                     |                        |                        |
| - Cash credit facilities (secured) [refer note (b) below] | 1,593.20               | 1,085.79               |
| - Short term demand loan (secured) [refer note (c) below] | 2,717.73               | 1,612.50               |
| Other loans from banks:                                   |                        |                        |
| - Gold metal loans (secured) [refer note (d) below]       | 4,313.54               | 2,504.15               |
| - Short-term loan (secured) [refer note (e) below]        | -                      | 114.00                 |
| Current maturities of non-current borrowings:             |                        |                        |
| - Vehicle loans                                           | 1.25                   | 3.94                   |
|                                                           | 8,625.72               | 5,320.38               |

#### Notes:

- (a) Repayment terms (including current maturities) and security details of the borrowings:

| Name of the lender                                     | Original date of maturity | Number of instalment | Value of each instalment (₹) | Balance as at |               |
|--------------------------------------------------------|---------------------------|----------------------|------------------------------|---------------|---------------|
|                                                        |                           |                      |                              | 31 March 2022 | 31 March 2021 |
| <b>Vehicle loans from:</b>                             |                           |                      |                              |               |               |
| - HDFC Bank Limited (*)                                | 05 April 2021             | 60                   | 22,063                       | -             | 0.02          |
| (Rate of interest<br>(RoI: 8.56% p.a.))                |                           |                      |                              |               |               |
| - Daimler Financial Services India Private Limited (*) | 23 April 2021             | 60                   | 61,915                       | -             | 0.07          |
| (RoI: 8.75% p.a.)                                      |                           |                      |                              |               |               |
| - HDFC Bank Limited (*)                                | 05 August 2021            | 36                   | 38,962                       | -             | 0.19          |
| (RoI: 9.00% p.a.)                                      |                           |                      |                              |               |               |

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(Amount in ₹ millions, except otherwise stated)

### 20 Borrowings (Contd.)

| Name of the lender                                                | Original date of maturity | Number of instalment | Value of each instalment (₹) | Balance as at |               |
|-------------------------------------------------------------------|---------------------------|----------------------|------------------------------|---------------|---------------|
|                                                                   |                           |                      |                              | 31 March 2022 | 31 March 2021 |
| - HDFC Bank Limited (*)<br>(RoI: 9.25% p.a.)                      | 05 May 2022               | 60                   | 263,575                      | 0.52          | 3.48          |
| - HDFC Bank Limited (*)<br>(RoI: 8.75% p.a.)                      | 05 September 2022         | 60                   | 42,326                       | 0.24          | 0.71          |
| - BMW Financial Services Private Limited (*)<br>(RoI: 9.85% p.a.) | 16 September 2023         | 48                   | 47,759                       | 3.29          | 3.53          |
| - HDFC Bank Limited (*)<br>(RoI: 10.75% p.a.)                     | 07 June 2026              | 60                   | 28,103                       | 1.15          | -             |
|                                                                   |                           |                      |                              | 5.20          | 8.00          |

(\*) Vehicle loans are secured by way of hypothecation of the vehicles financed there against.

- (b) Cash credit facilities from banks carry interest ranging between 8.00% p.a., - 10.75% p.a. (31 March 2021: 8.55% p.a. - 12.05% p.a.; 31 March 2020: 9.45% p.a. - 11.55% p.a.), computed on a daily basis on the actual amount utilised, and are repayable on demand. These are secured by way of hypothecation of the Holding Company's entire inventories and such other movables including book debts, bills whether documentary or clean, outstanding monies, receivables, both present and future, pertaining to all shops and showrooms of the Holding Company, entire property, plant and equipments, present and future, except for land and building not provided as collateral in a form and manner satisfactory to the bank. The loan is also secured by the unconditional and irrevocable personal guarantees given by Mrs. Joita Sen (Director) and Mr. Suvankar Sen (Executive Director and Chief Executive Officer).
- (c) Short-term demand loan (working capital demand loan) has been availed from Banks for financing of the working capital requirement for a period of 60 - 90 days. The rate of interest on the facilities is ranging between 9.00% p.a., - 12.00% p.a. (31 March 2021: 7.35% p.a. - 11.20% p.a.; 31 March 2020: 8.80% p.a. - 11.30% p.a.) fixed and shall be payable at monthly rests on the 1st day of the subsequent month/maturity, wherever applicable. The security for the facilities is personal guarantees of Mrs. Joita Sen (Director) and Mr. Suvankar Sen (Executive Director and Chief Executive Officer).
- (d) Gold metal loans carry interest ranging between 2.75% p.a. - 4.98% p.a. (31 March 2021: 2.75% p.a. - 4.98% p.a.; 31 March 2020: 2.30% p.a. - 3.73% p.a.) calculated on the number of ounce outstanding and are repayable within 270 days, if the end use of advance of bullion is for export purposes and 180 days if the end use of bullion is for domestic purpose. These are secured by way of hypothecation of the Holding Company's entire stocks and such other movables including book debts, bills whether documentary or clean, outstanding monies, receivables, both present and future, pertaining to all shops and showrooms of the Holding Company, entire property, plant and equipments, present and future, except for land and building not provided as collateral in a form and manner satisfactory to the bank, margin money of 1% - 12%, Standby Letter of Credit (SBLC) provided by the issuing bank and also by the personal guarantees given by Mrs. Joita Sen (Director) and Mr. Suvankar Sen (Executive Director and Chief Executive Officer).
- (e) Short-term loan has been availed from Bank as a credit line facility for a period of 12 months and is payable at monthly rests in six equal installments beginning after 6 months from the date of disbursement. The rate of interest on the facility is ranging between 10.25% p.a. to 12.00% p.a. (31 March 2021: 7.30% p.a.; 31 March 2020: Nil) fixed and is payable as and when it is due. This is secured by way of hypothecation of the Holding Company's entire stocks and such other movables including book debts, bills whether documentary or clean, outstanding monies, receivables, both present and future, pertaining to all shops and showrooms of the Holding Company. The loan is also secured by the unconditional and irrevocable personal guarantees given by Mrs. Joita Sen (Director) and Mr. Suvankar Sen (Executive Director and Chief Executive Officer).
- (f) There has been no default in repayment of principal amount or interest thereon.

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(Amount in ₹ millions, except otherwise stated)

### 21 Lease liabilities

| Particulars                      | As at<br>31 March 2022 | As at<br>31 March 2021 |
|----------------------------------|------------------------|------------------------|
| <b>Non-current</b>               |                        |                        |
| Lease obligations (refer note 7) | 1,451.03               | 1,327.63               |
|                                  | <b>1,451.03</b>        | <b>1,327.63</b>        |
| <b>Current</b>                   |                        |                        |
| Lease obligations (refer note 7) | 178.61                 | 146.03                 |
|                                  | <b>178.61</b>          | <b>146.03</b>          |

### 22 Other financial liabilities

| Particulars                                  | As at<br>31 March 2022 | As at<br>31 March 2021 |
|----------------------------------------------|------------------------|------------------------|
| <b>Non - current</b>                         |                        |                        |
| Security deposits                            | 8.38                   | 8.12                   |
|                                              | <b>8.38</b>            | <b>8.12</b>            |
| <b>Current</b>                               |                        |                        |
| Creditor for capital goods                   | 14.41                  | 17.79                  |
| Accrued salaries and benefits                | 126.34                 | 37.52                  |
| Interest accrued on borrowings               | 18.88                  | 14.55                  |
| Unpaid dividends (*)                         | 5.13                   | 92.76                  |
| Mark to market loss on gold future contracts | -                      | 81.16                  |
| Accrued expenses                             | 170.93                 | 12.85                  |
|                                              | <b>335.69</b>          | <b>256.63</b>          |

(\*) These are not yet due for credit into the Investor Education and Protection Fund, in accordance with Section 124 of the Act, as on 31 March 2022

### 23 Provisions

| Particulars                      | As at<br>31 March 2022 | As at<br>31 March 2021 |
|----------------------------------|------------------------|------------------------|
| <b>Non - current</b>             |                        |                        |
| Provision for employee benefits: |                        |                        |
| Gratuity (refer note 39)         | 0.73                   | 8.26                   |
| Compensated absences             | 12.28                  | 22.46                  |
|                                  | <b>13.01</b>           | <b>30.72</b>           |
| <b>Current</b>                   |                        |                        |
| Provision for employee benefits: |                        |                        |
| Gratuity (refer note 39)         | -                      | -                      |
| Compensated absences             | 0.68                   | 0.38                   |
|                                  | <b>0.68</b>            | <b>0.38</b>            |

### 24 Other liabilities

| Particulars          | As at<br>31 March 2022 | As at<br>31 March 2021 |
|----------------------|------------------------|------------------------|
| <b>Non - current</b> |                        |                        |
| Deferred income      | 0.12                   | 0.12                   |
|                      | <b>0.12</b>            | <b>0.12</b>            |

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(Amount in ₹ millions, except otherwise stated)

### 24 Other liabilities (Contd.)

| Particulars                                                       | As at<br>31 March 2022 | As at<br>31 March 2021 |
|-------------------------------------------------------------------|------------------------|------------------------|
| <b>Current</b>                                                    |                        |                        |
| Advance from customers                                            | 591.98                 | 944.30                 |
| Deposits received from customers under jewellery purchase schemes | 1,013.94               | 724.29                 |
| Liability towards customer loyalty program                        | 124.56                 | 92.53                  |
| Statutory dues payable                                            | 21.31                  | 27.42                  |
| Deferred income                                                   | -                      | 0.41                   |
| Contract liability (*)                                            | 60.46                  | 43.25                  |
|                                                                   | <b>1,812.25</b>        | <b>1,832.20</b>        |

**Note:**

(\*) Contract liability represents the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied as of the end of the reporting period. Thus, it represents the value of sales the Group estimates to be returned on account of sales return.

### 25 Trade payables

| Particulars                                                                                   | As at<br>31 March 2022 | As at<br>31 March 2021 |
|-----------------------------------------------------------------------------------------------|------------------------|------------------------|
| Total outstanding dues of micro enterprises and small enterprises                             | 124.59                 | 95.24                  |
| <b>Total outstanding dues of creditors other than micro enterprises and small enterprises</b> |                        |                        |
| - Acceptances (**)                                                                            | 116.94                 | 37.64                  |
| - Other than acceptances                                                                      | 932.70                 | 476.47                 |
|                                                                                               | <b>1,174.23</b>        | <b>609.35</b>          |

**Note:**

(\*\*) The Group enters into deferred payment arrangements (acceptances) wherein dues to micro, small and medium enterprises ('MSME') are paid by banks, which is subsequently settled by the Group at a later date. Interest borne on such arrangements is accounted for as finance cost.

**(b) Trade payables ageing:**

| Particulars                | Outstanding for following periods from due date of payment |              |             |                      |                 |
|----------------------------|------------------------------------------------------------|--------------|-------------|----------------------|-----------------|
|                            | Less than<br>1 year                                        | 1-2 years    | 2-3 years   | More than<br>3 years | Total           |
| <b>As at 31 March 2022</b> |                                                            |              |             |                      |                 |
| (i) MSME                   | 124.59                                                     | -            | -           | -                    | 124.59          |
| (ii) Others                | 1,029.01                                                   | 2.35         | 8.02        | 10.26                | 1,049.64        |
| (iii) Disputed dues- MSME  | -                                                          | -            | -           | -                    | -               |
| (iv) Disputed dues- others | -                                                          | -            | -           | -                    | -               |
|                            | <b>1,153.60</b>                                            | <b>2.35</b>  | <b>8.02</b> | <b>10.26</b>         | <b>1,174.23</b> |
| <b>As at 31 March 2021</b> |                                                            |              |             |                      |                 |
| (i) MSME                   | 95.24                                                      | -            | -           | -                    | 95.24           |
| (ii) Others                | 464.15                                                     | 35.25        | 7.42        | 7.29                 | 514.11          |
| (iii) Disputed dues- MSME  | -                                                          | -            | -           | -                    | -               |
| (iv) Disputed dues- others | -                                                          | -            | -           | -                    | -               |
|                            | <b>559.39</b>                                              | <b>35.25</b> | <b>7.42</b> | <b>7.29</b>          | <b>609.35</b>   |

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(Amount in ₹ millions, except otherwise stated)

### 26 Current tax liabilities (net)

| Particulars                                                                                                    | As at<br>31 March 2022 | As at<br>31 March 2021 |
|----------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| Provision for tax                                                                                              |                        |                        |
| (net of advance tax and taxes deducted at source of ₹1,774.88 millions)<br>(31 March 2021: ₹1,375.21 millions) | 138.51                 | 31.15                  |
|                                                                                                                | 138.51                 | 31.15                  |

### 27 Revenue from operations

|                          | Year ended<br>31 March 2022 | Year ended<br>31 March 2021 |
|--------------------------|-----------------------------|-----------------------------|
| Sale of products         | 35,253.92                   | 26,546.66                   |
| Other operating revenue: |                             |                             |
| - Franchisee fees        | 92.49                       | 57.13                       |
|                          | 35,346.41                   | 26,603.79                   |

Disclosures pursuant to Ind AS 115 – Revenue from contract with customers, are as follows:

#### (a) Revenue streams

The Group generates revenue primarily from the sale of jewellery and other articles. Other sources of revenue includes income from franchisee fees.

#### (b) Disaggregation of revenue from contracts with customers

The Group has performed a disaggregated analysis of revenues considering the nature, amount, timing and uncertainty of revenues. This includes disclosure of revenues by product lines, timing of revenue recognition and geography:

##### A. Revenue by product lines and others:

| Particulars                               | Year ended<br>31 March 2022 | Year ended<br>31 March 2021 |
|-------------------------------------------|-----------------------------|-----------------------------|
| Gold jewellery                            | 32,351.42                   | 24,449.52                   |
| Diamond and precious/semi precious stones | 1,885.69                    | 1,344.90                    |
| Silver jewellery and articles             | 338.10                      | 207.04                      |
| Platinum jewellery                        | 570.05                      | 469.29                      |
| Fashion jewellery                         | 67.83                       | 49.72                       |
| Novelty and accessories                   | 40.83                       | 26.19                       |
| Franchisee fees                           | 92.49                       | 57.13                       |
|                                           | 35,346.41                   | 26,603.79                   |

##### Revenue by timing of revenue recognition:

| Particulars                                                                   | Year ended<br>31 March 2022 | Year ended<br>31 March 2021 |
|-------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| Goods transferred at a point in time when performance obligation is satisfied | 35,346.41                   | 26,603.79                   |
| Revenue as per operating segment (refer note 42)                              | 35,346.41                   | 26,603.79                   |

##### Revenue by geography:

| Particulars                                      | Year ended<br>31 March 2022 | Year ended<br>31 March 2021 |
|--------------------------------------------------|-----------------------------|-----------------------------|
| Domestic                                         | 34,972.89                   | 26,138.39                   |
| Export                                           | 373.52                      | 465.40                      |
| Revenue as per operating segment (refer note 42) | 35,346.41                   | 26,603.79                   |

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(Amount in ₹ millions, except otherwise stated)

### 27 Revenue from operations (Contd.)

#### B. Contract balance

The following table provides information about trade receivables, contract assets and contract liabilities from contracts with customers:

| Particulars                                                                                                                                                      | Note | As at<br>31 March 2022 | As at<br>31 March 2021 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|------------------------|------------------------|
| Receivables, which are included in 'trade receivables' (net of provision)                                                                                        | 15   | 393.98                 | 275.59                 |
| Contract assets                                                                                                                                                  | 13   | 54.93                  | 38.93                  |
| Contract liabilities (includes order advances, liability towards customer loyalty program and deposits received from customers under jewellery purchase schemes) | 24   | 1,790.94               | 1,804.37               |

#### C. Reconciliation of revenue recognised in the consolidated Statement of Profit and Loss with the contracted price:

| Particulars                                    | As at<br>31 March 2022 | As at<br>31 March 2021 |
|------------------------------------------------|------------------------|------------------------|
| Sale of products                               | 36,225.63              | 27,375.14              |
| Less: Variable consideration (discounts, etc.) | 971.71                 | 828.48                 |
| Total sale of products                         | 35,253.92              | 26,546.66              |

### 28 Other income

| Particulars                                                      | Year ended<br>31 March 2022 | Year ended<br>31 March 2021 |
|------------------------------------------------------------------|-----------------------------|-----------------------------|
| Interest income on bank deposits                                 | 42.27                       | 28.74                       |
| Interest income on financial assets measured at amortised cost   | 17.90                       | 11.88                       |
| Net gain on foreign currency transactions and translations       | 8.11                        | 3.62                        |
| Liabilities no longer required, written back                     | 14.11                       | 31.39                       |
| Others:                                                          |                             |                             |
| - Discounting of financial liabilities/provision                 | -                           | 0.45                        |
| - Unwinding of discount on financial assets                      | 11.33                       | 9.17                        |
| Rent concessions from lessors [refer note 7(j)]                  | 29.34                       | 29.83                       |
| Ineffective portion of change in fair value of forward contracts | -                           | 9.31                        |
| Reversal of allowance for expected credit loss                   | 2.44                        | -                           |
| Others                                                           | 2.19                        | 21.06                       |
|                                                                  | 127.69                      | 145.45                      |

### 29 Cost of materials consumed

| Particulars                                             | Year ended<br>31 March 2022 | Year ended<br>31 March 2021 |
|---------------------------------------------------------|-----------------------------|-----------------------------|
| Inventory of raw materials at the beginning of the year | 2,117.21                    | 1,057.03                    |
| Add: Purchases during the year                          | 27,679.32                   | 19,474.07                   |
| Less: Inventory of raw materials at the end of the year | 1,461.02                    | 2,117.21                    |
|                                                         | 28,335.51                   | 18,413.89                   |

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(Amount in ₹ millions, except otherwise stated)

### 30 Purchases of stock-in-trade

| Particulars                 | Year ended<br>31 March 2022 | Year ended<br>31 March 2021 |
|-----------------------------|-----------------------------|-----------------------------|
| Purchases of stock-in-trade | 5,643.80                    | 2,903.47                    |
|                             | 5,643.80                    | 2,903.47                    |

### 31 Changes in inventories of finished goods and stock-in-trade

| Particulars                          | Year ended<br>31 March 2022 | Year ended<br>31 March 2021 |
|--------------------------------------|-----------------------------|-----------------------------|
| Opening stock                        |                             |                             |
| - Finished goods                     | 6,406.86                    | 7,698.18                    |
| - Stock-in-trade                     | 1,870.66                    | 2,115.92                    |
|                                      | 8,277.52                    | 9,814.10                    |
| Less: Closing stock                  |                             |                             |
| - Finished goods                     | 9,701.83                    | 6,406.86                    |
| - Stock-in-trade                     | 2,749.60                    | 1,870.66                    |
|                                      | 12,451.43                   | 8,277.52                    |
| (Increase) / decrease in inventories | (4,173.91)                  | 1,536.58                    |

### 32 Employee benefits expense

| Particulars                                               | Year ended<br>31 March 2022 | Year ended<br>31 March 2021 |
|-----------------------------------------------------------|-----------------------------|-----------------------------|
| Salaries and wages                                        | 691.77                      | 473.01                      |
| Contribution to provident and other funds (refer note 39) | 33.15                       | 39.75                       |
| Share based payment expenses (refer note 40)              | 0.86                        |                             |
| Staff welfare expenses                                    | 21.89                       | 9.05                        |
|                                                           | 747.67                      | 521.81                      |

### 33 Finance costs

| Particulars                                  | Year ended<br>31 March 2022 | Year ended<br>31 March 2021 |
|----------------------------------------------|-----------------------------|-----------------------------|
| Interest expense on financial liabilities:   |                             |                             |
| - on working capital loans and term loans    | 339.51                      | 390.61                      |
| - on gold metal loans                        | 108.98                      | 63.43                       |
| - unwinding of discount on security deposits | 0.59                        | 0.59                        |
| Interest on lease liabilities (refer note 7) | 190.41                      | 165.30                      |
| Other borrowing costs                        | 57.53                       | 46.44                       |
|                                              | 697.02                      | 666.37                      |

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(Amount in ₹ millions, except otherwise stated)

### 34 Depreciation and amortisation expense

| Particulars                                                  | Year ended<br>31 March 2022 | Year ended<br>31 March 2021 |
|--------------------------------------------------------------|-----------------------------|-----------------------------|
| Depreciation of property, plant and equipment (refer note 5) | 170.99                      | 189.07                      |
| Depreciation of right-of-use assets (refer note 7)           | 241.60                      | 200.02                      |
| Amortisation of intangible assets (refer note 8)             | 8.56                        | 6.62                        |
|                                                              | <b>421.15</b>               | <b>395.71</b>               |

### 35 Other expenses

| Particulars                                                      | Year ended<br>31 March 2022 | Year ended<br>31 March 2021 |
|------------------------------------------------------------------|-----------------------------|-----------------------------|
| Advertising and sales promotion                                  | 505.82                      | 261.87                      |
| Assets written off                                               | -                           | 0.30                        |
| Job work charges                                                 | 705.57                      | 462.44                      |
| Packing materials consumed                                       | 42.11                       | 42.36                       |
| Rent                                                             | 50.81                       | 53.84                       |
| Repairs and maintenance:                                         |                             |                             |
| - plant and equipments                                           | 10.68                       | 10.12                       |
| - buildings                                                      | 16.25                       | 13.41                       |
| - others                                                         | 119.35                      | 87.46                       |
| Travelling expenses                                              | 15.47                       | 7.79                        |
| Electricity charges                                              | 54.58                       | 42.99                       |
| Legal and professional                                           | 57.26                       | 34.49                       |
| Brokerage and commission                                         | 16.45                       | 32.24                       |
| Bank charges                                                     | 94.28                       | 63.61                       |
| Insurance                                                        | 24.39                       | 15.12                       |
| Fair value loss on commodity hedging contracts                   | -                           | 166.76                      |
| Loss on disposal of property, plant and equipment                | -                           | 0.35                        |
| Rates and taxes                                                  | 49.49                       | 29.58                       |
| Payment to auditors [refer note (a) below]                       | 4.83                        | 3.06                        |
| Corporate social responsibility expenses                         | 22.10                       | 22.83                       |
| Allowance for expected credit loss                               | -                           | 2.79                        |
| Security expenses                                                | 98.11                       | 77.50                       |
| Ineffective portion of change in fair value of forward contracts | 94.89                       | -                           |
| Miscellaneous expenses                                           | 39.06                       | 43.89                       |
|                                                                  | <b>2,021.50</b>             | <b>1,474.80</b>             |

Note:

(a) Payments to auditors (excluding applicable taxes)

| Particulars                   | Year ended<br>31 March 2022 | Year ended<br>31 March 2021 |
|-------------------------------|-----------------------------|-----------------------------|
| Auditors                      | 4.10                        | 2.30                        |
| For other services            | 0.40                        | 0.65                        |
| For reimbursement of services | 0.33                        | 0.11                        |
|                               | <b>4.83</b>                 | <b>3.06</b>                 |

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(Amount in ₹ millions, except otherwise stated)

### 36 Tax expenses

#### A. Tax expense recognised in the consolidated Statement of Profit and Loss

| Particulars         | Year ended<br>31 March 2022 | Year ended<br>31 March 2021 |
|---------------------|-----------------------------|-----------------------------|
| <b>Current tax:</b> |                             |                             |
| - Current years     | 506.71                      | 287.76                      |
| - Earlier years     | 0.57                        | -                           |
| Deferred tax        | (16.94)                     | (65.97)                     |
|                     | <b>490.34</b>               | <b>221.79</b>               |

#### B. The major component of the reconciliation of expected tax expense based on the domestic effective tax rate of the Group and the reported tax expense in the consolidated Statement of Profit and Loss are as follows:

| Particulars                                               | Year ended<br>31 March 2022 | Year ended<br>31 March 2021 |
|-----------------------------------------------------------|-----------------------------|-----------------------------|
| Profit before tax                                         | 1,781.36                    | 836.61                      |
| Enacted tax rates in India (%)                            | 25.17%                      | 25.17%                      |
| Computed tax expense                                      | 448.33                      | 210.56                      |
| Effect of non-deductible expenses                         | 41.44                       | 11.23                       |
| Prior year taxes                                          | 0.57                        | -                           |
| Total tax expense as per the Statement of Profit and Loss | <b>490.34</b>               | <b>221.79</b>               |

#### C. The following tables provides the details of income-tax assets and current tax liabilities:

| Particulars                             | Year ended<br>31 March 2022 | Year ended<br>31 March 2021 |
|-----------------------------------------|-----------------------------|-----------------------------|
| Advance tax (refer note 12)             | 180.36                      | 185.18                      |
| Provision for tax (refer note 26)       | (138.51)                    | (31.15)                     |
| Net position (income-tax asset)         | <b>41.85</b>                | <b>154.03</b>               |
| <b>a. Income-tax assets</b>             |                             |                             |
| Opening balance                         | 185.18                      | 130.28                      |
| Prior year taxes                        | (0.57)                      | -                           |
| Transfer from current tax liabilities   | (4.25)                      | 54.90                       |
| Less: Refunds received                  | -                           | -                           |
|                                         | <b>180.36</b>               | <b>185.18</b>               |
| <b>b. Current tax liabilities</b>       |                             |                             |
| Opening balance                         | 31.15                       | 107.55                      |
| Provision for tax                       | 506.71                      | 287.76                      |
| Advance tax paid during the year        | (375.60)                    | (326.50)                    |
| Tax deducted at source during the year  | (19.47)                     | (16.16)                     |
| Self assessment tax paid                | -                           | (76.40)                     |
| Transferred to/(from) income-tax assets | (4.28)                      | 54.90                       |
|                                         | <b>138.51</b>               | <b>31.15</b>                |
| Net position                            | <b>41.85</b>                | <b>154.03</b>               |

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(Amount in ₹ millions, except otherwise stated)

### 37 Earnings per equity share (EPS)

#### i. (a) Weighted average number of equity shares of ₹10 each for basic earnings per share:

| Particulars                                                                                                                   |                 | Year ended<br>31 March 2022 | Year ended<br>31 March 2021 |
|-------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------------------|-----------------------------|
| Number of equity shares at the end of the year                                                                                | (A)             | 5,31,86,112                 | 5,31,86,112                 |
| Effect of compulsorily convertible non-cumulative preference shares                                                           | (B)             | 1,32,96,153                 | 1,32,96,153                 |
| Weighted average number of equity shares outstanding at the end of the year for calculating basic earning per equity          | [(C) = (A)+(B)] | 6,64,82,265                 | 6,64,82,265                 |
| Add: Stock options granted to employees (refer note 40)                                                                       | (D)             | 1,81,600                    | -                           |
| Weighted average number of equity shares outstanding at the end of the year for calculating diluted earnings per equity share | [(E) = (C)+(D)] | 6,66,63,865                 | 6,64,82,265                 |
| ii. Net profit for the year                                                                                                   | (F)             | 1,291.02                    | 614.82                      |
| iii. Basic earnings per equity share (₹)                                                                                      | (F) / (C)       | 19.42                       | 9.25                        |
| iv. Diluted earnings per equity share (₹)                                                                                     | (F) / (E)       | 19.37                       | 9.25                        |

### 38 Dividend on shares

#### (a) Dividend on shares declared and paid during the year

| Particulars                                                                            | Year ended<br>31 March 2022 | Year ended<br>31 March 2021 |
|----------------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| Interim dividend on equity shares @ ₹1/share for the year ended 31 March 2022          | 53.19                       | -                           |
| Interim dividend on preference shares @ ₹1.1001/share for the year ended 31 March 2022 | 13.31                       | -                           |
| Interim dividend on equity shares @ ₹1.50/share for the year ended 31 March 2021       | -                           | 79.78                       |
| Interim dividend on preference shares @ ₹1.501/share for the year ended 31 March 2021  | -                           | 19.96                       |
|                                                                                        | 66.50                       | 99.74                       |

#### (b) Proposed dividend

The Board of Directors of the Holding Company, at its meeting held on 21 July 2022, have recommended payment of final dividend of ₹0.50 per equity share of face value of ₹10 each and ₹0.501 per compulsorily convertible non-cumulative preference share of face value of ₹10 each, for the financial year ended 31 March 2022, amounting to ₹33.25 millions. The above is subject to approval at the ensuing Annual General Meeting of the Holding Company and is in accordance with section 123 of the Act in the extent it applies to declaration of the dividend.

### 39 Employee benefits

#### Defined contribution plans

The Group makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund, which is a defined contribution plan. The Group has no obligations other than to make the specified contributions. The contributions are charged to the consolidated Statement of Profit and Loss as they accrue. The amount recognised as an expense towards contribution to Provident and Pension Fund for the year aggregated to ₹36.08 millions (31 March 2021: ₹29.93 millions)

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(Amount in ₹ millions, except otherwise stated)

### 39 Employee benefits (Contd.)

#### Defined benefit plans

The Group operates one post-employment defined benefit plans (i.e., gratuity). The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive 15 days basic salary for each year of completed service at the time of retirement/exit. Gratuity scheme is funded by the plan assets.

#### Inherent risk

The plan is defined benefit in nature which is sponsored by the Company and hence it underwrites all the risk pertaining to the plan. In particular, this exposes the Company, to actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature, the plan is not subject to longevity risk.

| Particulars                                   | As at<br>31 March 2022 | As at<br>31 March 2021 |
|-----------------------------------------------|------------------------|------------------------|
| Net defined benefit obligation (Gratuity)     | 43.34                  | 38.69                  |
| Net defined benefit asset (Gratuity)          | (42.61)                | (30.43)                |
| Liability recognised in Balance Sheet         | 0.73                   | 8.26                   |
| Non-current                                   | 0.73                   | 8.26                   |
| Current                                       | -                      | -                      |
| Net liability recognised in the balance sheet | 0.73                   | 8.26                   |

The following tables analyse present value of defined benefit obligations, expense recognised in the consolidated Statement of Profit and Loss, actuarial assumptions and other information.

| Particulars                                                            | As at<br>31 March 2022 | As at<br>31 March 2021 |
|------------------------------------------------------------------------|------------------------|------------------------|
| (I) Reconciliation of present value of defined benefit obligation      |                        |                        |
| (a) Balance at the beginning of the year                               | 38.69                  | 25.66                  |
| (b) Current service cost                                               | 9.18                   | 8.20                   |
| (c) Interest cost                                                      | 2.77                   | 1.76                   |
| (d) Past service cost                                                  | -                      | -                      |
| (e) Benefits paid                                                      | (1.52)                 | (0.32)                 |
| (f) Actuarial (gains) / loss recognised in Other Comprehensive Income: |                        |                        |
| - change in financial assumptions                                      | (3.17)                 | 7.56                   |
| - experience adjustments                                               | (2.61)                 | (4.17)                 |
| Balance at the end of the year                                         | 43.34                  | 38.69                  |
| (II) Reconciliation of present value of plan assets                    |                        |                        |
| (a) Balance at the beginning of the year                               | 30.43                  | 17.06                  |
| (b) Interest income                                                    | 2.22                   | 1.19                   |
| (c) Employer contributions                                             | 12.05                  | 12.88                  |
| (d) Benefits paid                                                      | (1.52)                 | (0.32)                 |
| (e) Return on plan assets recognised in Other Comprehensive Income     | (0.57)                 | (0.38)                 |
| Balance at the end of the year                                         | 42.61                  | 30.43                  |
| (III) Net liability recognised in the Balance Sheet                    |                        |                        |
| (a) Present value of defined benefit obligation                        | (43.34)                | (38.69)                |
| (b) Fair value of plan assets                                          | 42.61                  | 30.43                  |
| Net defined benefit obligations in the Balance Sheet                   | (0.73)                 | (8.26)                 |

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(Amount in ₹ millions, except otherwise stated)

### 39 Employee benefits (Contd.)

| Particulars                                                          | As at<br>31 March 2022 | As at<br>31 March 2021 |
|----------------------------------------------------------------------|------------------------|------------------------|
| (IV) Expense recognised in consolidated Statement of Profit and Loss |                        |                        |
| (a) Current service costs                                            | 9.18                   | 8.20                   |
| (b) Interest costs                                                   | 2.77                   | 1.76                   |
| (c) Expected return on plan assets                                   | (2.22)                 | (1.19)                 |
| (d) Past service costs                                               | -                      | -                      |
| Expense recognised in the consolidated Statement of Profit and Loss  | 9.73                   | 8.77                   |
| (V) Remeasurements recognised in Other Comprehensive Income          |                        |                        |
| (a) Actuarial loss on defined benefit obligation                     | (5.78)                 | 3.39                   |
| (b) Return on plan asset excluding interest income                   | 0.57                   | 0.38                   |
| Amount recognised in Other Comprehensive Income                      | (5.21)                 | 3.77                   |
| (VI) Plan assets:                                                    |                        |                        |
| Plan assets comprise the following:                                  |                        |                        |
| (a) Invested with Life Insurance Corporation of India                | 42.61                  | 30.43                  |
| (VII) Maturity profile of the defined benefit obligation:            | 42.61                  | 30.43                  |
| Expected future payments (undiscounted):                             |                        |                        |
| Not later than 1 year                                                | 0.95                   | 0.52                   |
| Later than 1 year and not later than 5 years                         | 3.15                   | 2.54                   |
| More than 5 years                                                    | 194.79                 | 170.97                 |
|                                                                      | 198.89                 | 174.03                 |

**Note:**

The average duration of the defined benefit plan obligation at the end of the reporting period is 26 years (31 March 2021: 25 years).

| Particulars                                                     | As at<br>31 March 2022     | As at<br>31 March 2021     |
|-----------------------------------------------------------------|----------------------------|----------------------------|
| (VIII) Actuarial assumptions                                    |                            |                            |
| Principal actuarial assumptions at the reporting date           |                            |                            |
| (a) Discount rate (%)                                           | 7.30%                      | 6.90%                      |
| (b) Future salary growth (%)                                    | 7.00%                      | 7.00%                      |
| (c) Attrition rate (%)                                          | 16.00%                     | 16.00%                     |
| (d) Retirement age (years)                                      | 60                         | 60                         |
| (e) Expected average remaining working life of employee (years) | 25                         | 25                         |
| (f) Mortality rate                                              | IALM 2012-2014<br>Ultimate | IALM 2012-2014<br>Ultimate |

**Note:**

- The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.
- Discount rate is based on the prevailing market yield of Indian Government securities as at the year end for the estimated term of the obligation.

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(Amount in ₹ millions, except otherwise stated)

### 39 Employee benefits (Contd.)

#### (IX) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligations by the amounts shown below:

|     |                                       | 31 March 2022 |          | 31 March 2021 |          |
|-----|---------------------------------------|---------------|----------|---------------|----------|
|     |                                       | Increase      | Decrease | Increase      | Decrease |
| (a) | Discount rate (0.50% movement)        | 3.61          | (4.04)   | 3.41          | (3.85)   |
| (b) | Future salary growth (0.50% movement) | (3.97)        | 3.58     | (3.76)        | 3.37     |
| (c) | Attrition rate (0.50% movement)       | 0.13          | (0.11)   | 0.15          | (0.15)   |
| (d) | Mortality rate (10% movement)         | -             | 0.01     | 0.01          | (0.01)   |

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions as shown.

(X) The Company expects to contribute ₹0.95 millions (31 March 2021: ₹0.56 millions) to its gratuity plan for the next year.

#### (XI) Risk exposure:

Valuation are based on certain assumptions, which are dynamic in nature and may vary over time. As such valuations of the Company is exposed to follow risks -

- Salary increase: Higher than expected increases in salary will increase the defined benefit obligation.
- Investment risk: Since the plan is funded then asset liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the defined benefit obligation.
- Discount rate: The defined benefit obligation calculated use a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.
- Mortality and disability: If the actual deaths and disability cases are lower or higher than assumed in the valuation, it can impact the defined benefit obligation.
- Withdrawals: If the actual withdrawals are higher or lower than the assumed withdrawals or there is a change in withdrawal rates at subsequent valuations, it can impact defined benefit obligation.

### 40 Employee's share based payment plans

During the year ended 31 March 2018, the Company implemented its Employee Stock Option Scheme ('the Plan'). The plan was originally approved by the members of the Company on 24 May 2018 and amendments were approved on 25 October 2021. The Plan enables grant of stock options to the eligible employees of the Company. The Plan enables grant of stock options to the eligible employees of the Company not exceeding 1,000,000 options, which is 1.88 % of the paid-up equity share capital of the Company as on 31 March 2022. Further, the stock options to any single employee under the Plan shall not exceed 1% of the issued capital of the Company, at the time of grant of options, during the tenure of the Plan, subject to compliance with applicable law. The options granted under the Plan have a maximum vesting period of 4 years.

#### (a) Details of stock options and fair value of stock options granted:

| Particulars                                | Year ended<br>31 March 2022 | Year ended<br>31 March 2021 |
|--------------------------------------------|-----------------------------|-----------------------------|
| Grant date                                 | 2 February 2022             | -                           |
| Vesting date                               | 2 February 2026             | -                           |
| Fair value as on Grant date (₹ per option) | 331                         | -                           |
| Exercise price (₹ per option)              | 250                         | -                           |
| Method of valuation                        | Black-Scholes Model         | -                           |
| Expected life (years)                      | 3                           | -                           |
| Expected volatility (%)                    | 56.52%                      | -                           |
| Dividend yield (%)                         | 15.00%                      | -                           |
| Risk free rate of return (%)               | 5.35%                       | -                           |

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(Amount in ₹ millions, except otherwise stated)

### 40 Employee's share based payment plans (Contd.)

#### (b) Movement of options:

| Particulars                                         | Year ended<br>31 March 2022 | Year ended<br>31 March 2021 |
|-----------------------------------------------------|-----------------------------|-----------------------------|
| Balance as at the beginning of the year             | -                           | -                           |
| Options granted during the year                     | 1,81,600                    | -                           |
| Options exercised during the year                   | -                           | -                           |
| Options forfeited during the year                   | -                           | -                           |
| Options lapsed during the year                      | -                           | -                           |
| Balance as at the end of the year                   | 1,81,600                    | -                           |
| Number of options exercisable at year end           | -                           | -                           |
| Weighted average remaining contractual life (years) | 9.84 years                  | -                           |

(c) During the year ended 31 March 2022, the Company has recognised an expense of ₹0.86 million (31 March 2021: Nil).

### 41 Related party disclosures (as per Ind AS 24 - Related Party Disclosures)

#### A. List of related parties and their relationship

| Nature of relation                                        | Name of related parties                                                                  |
|-----------------------------------------------------------|------------------------------------------------------------------------------------------|
| (i) Entity having control over the Company                | Jai Hanuman Shri Siddhivinayak Trust                                                     |
| (ii) Entity having significant influence over the Company | SAIF Partners India IV Limited, Mauritius                                                |
| (iii) Key management personnel                            | Mrs. Ranjana Sen, Director [with effect from ('w.e.f.') 12 August 2020]                  |
|                                                           | Mr. Suvankar Sen, Executive Director and Chief Executive Officer (w.e.f. 12 August 2020) |
|                                                           | Late Mr. Sankar Sen, Managing Director (deceased on 28 July 2020)                        |
|                                                           | Mrs. Joita Sen, Director (w.e.f. 12 August 2020)                                         |
|                                                           | Mr. Vivek Kumar Mathur, Nominee Director                                                 |
|                                                           | Mr. Bhaskar Sen, Independent Director (w.e.f. 18 September 2021)                         |
|                                                           | Mr. Kumar Shankar Datta, Independent Director                                            |
|                                                           | Mr. Shankar Prasad Halder, Independent Director (w.e.f. 03 February 2022)                |
|                                                           | Mrs. Suman Varma, Independent Director                                                   |
|                                                           | Late Mr. Hanuman Mal Choraria, Independent Director (deceased on 26 April 2021)          |
|                                                           | Mr. Sanjay Banka, Chief Financial Officer (w.e.f. 21 December 2020)                      |
|                                                           | Mr. Vikram Nagpal, Chief Financial Officer (until 10 October 2020)                       |
|                                                           | Mr. Surendra Gupta, Company Secretary and Compliance Officer                             |
| (iv) Relatives of key management personnel                | Mr. Joydeep Majumder, Father-in-law of Mr. Suvankar Sen                                  |
|                                                           | Mrs. Kavita Banka, wife of Sanjay Banka                                                  |
|                                                           | Mrs. Sandhya Gupta, wife of Surendra Gupta                                               |

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(Amount in ₹ millions, except otherwise stated)

### 41 Related party disclosures (as per Ind AS 24 – Related Party Disclosures) (Contd.)

| Nature of relation                                                        | Name of related parties                               |
|---------------------------------------------------------------------------|-------------------------------------------------------|
| (v) Enterprises controlled by key management personnel or their relatives | Mangoe Construction Private Limited                   |
|                                                                           | P C Sen Charitable Trust                              |
|                                                                           | Senco Gold Limited Employee Group Gratuity Trust Fund |
|                                                                           | Om Gaan Ganpataye Bajrangbali Trust                   |
|                                                                           | Race Automobiles Private Limited                      |

| Nature of transaction                                                          | Transaction value |               | Balance outstanding |               |
|--------------------------------------------------------------------------------|-------------------|---------------|---------------------|---------------|
|                                                                                | 31 March 2022     | 31 March 2021 | 31 March 2022       | 31 March 2021 |
| <b>B. Transactions with entity having control over the Group</b>               |                   |               |                     |               |
| Dividend paid                                                                  | 34.44             | 51.65         | -                   | 47.78         |
|                                                                                | 34.44             | 51.65         | -                   | 47.78         |
| <b>C. Transactions with entity having significant influence over the Group</b> |                   |               |                     |               |
| Dividend paid                                                                  | 13.31             | 19.96         | -                   | 18.96         |
|                                                                                | 13.31             | 19.96         | -                   | 18.96         |
| <b>D. Transactions with key management personnel:</b>                          |                   |               |                     |               |
| Short-term employee benefits (#)                                               | 45.51             | 38.34         | 8.43                | -             |
| Share based payment expenses                                                   | 0.21              | -             | 0.21                | -             |
| Rent paid                                                                      | 0.54              | 0.60          | 0.05                | -             |
| Director sitting fees                                                          | 1.40              | 0.42          | 0.32                | -             |
| Reimbursement of expenses                                                      | 0.08              | 0.26          | -                   | -             |
| Dividend paid                                                                  | 7.72              | 20.12         | -                   | 18.61         |
| Advances received                                                              | 2.75              | 1.02          | -                   | 0.11          |
| Advances adjusted towards sale of products                                     | 3.77              | 0.91          | 0.03                | -             |
| Sale of goods                                                                  | 8.04              | 6.95          | -                   | -             |
| Purchase of goods                                                              | 1.16              | -             | -                   | -             |
| Deposits received under jewellery purchase schemes                             | -                 | 0.02          | 0.00                | 0.02          |
|                                                                                | 71.18             | 68.64         | 9.04                | 18.74         |

(#) Compensation of the key management personnel includes salaries and contribution to post-employment defined benefit plan. It does not include gratuity and leave encashment benefits which are actuarially determined on an overall basis for the Group and individual information in respect of the directors is not available.

| Nature of transaction                                              | Transaction value |               | Balance outstanding |               |
|--------------------------------------------------------------------|-------------------|---------------|---------------------|---------------|
|                                                                    | 31 March 2022     | 31 March 2021 | 31 March 2022       | 31 March 2021 |
| <b>E. Transactions with relatives of key management personnel:</b> |                   |               |                     |               |
| Dividend paid                                                      | 5.69              | -             | 5.12                | -             |
| Sale of goods                                                      | 0.07              | -             | -                   | -             |
| Purchase of goods                                                  | -                 | -             | -                   | -             |
| Rent paid                                                          | 0.75              | 0.12          | 0.05                | -             |
| Repairs and maintenance                                            | 0.14              | -             | 0.00                | -             |
|                                                                    | 6.65              | 0.12          | 5.17                | -             |

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(Amount in ₹ millions, except otherwise stated)

### 41 Related party disclosures (as per Ind AS 24 – Related Party Disclosures) (Contd.)

| Nature of transaction                                                                              | Transaction value |               | Balance outstanding |               |
|----------------------------------------------------------------------------------------------------|-------------------|---------------|---------------------|---------------|
|                                                                                                    | 31 March 2022     | 31 March 2021 | 31 March 2022       | 31 March 2021 |
| <b>F. Transactions with enterprises controlled by key management personnel or their relatives:</b> |                   |               |                     |               |
| Rent paid                                                                                          | 26.87             | 24.22         | -                   | -             |
| Maintenance and licensee fee paid                                                                  | 11.00             | 10.00         | 4.96                | 8.49          |
| Purchase of goods                                                                                  | 0.12              | -             | 0.12                | -             |
| Dividend paid                                                                                      | 5.34              | 8.00          | -                   | 7.40          |
| Contribution made towards CSR expenses                                                             | 22.10             | 12.78         | -                   | -             |
| Contribution made towards Employee Gratuity Fund                                                   | 12.21             | 12.88         | -                   | -             |
|                                                                                                    | <b>77.64</b>      | <b>67.88</b>  | <b>5.08</b>         | <b>15.89</b>  |

Note:

For personal guarantees given by directors and their relatives, refer note 20.

### 42 Operating segments

#### A. Basis for segmentation

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Group's Chief Operating Decision Maker (CODM) i.e., Mr. Suvankar Sen (Executive Director and Chief Executive Officer), to make decisions about resources to be allocated to the segments and assess their performance.

The Group is engaged in the business of manufacture and sale of jewellery and other articles of various designs/specification based on customer's requirements. The Group's manufacturing facilities are located in India and products sold in the domestic and overseas market are manufactured in these facilities. Based on the dominant source and nature of risk and returns of the Group, its internal organisation and management structure and its system of internal financial reporting, business segment has been identified as the primary segment. The Group has only one business segment, viz., sale of jewellery and other articles.

| Particulars                               | Year ended<br>31 March 2022 | Year ended<br>31 March 2021 |
|-------------------------------------------|-----------------------------|-----------------------------|
| Revenue from external customers           |                             |                             |
| India (i.e. entity's country of domicile) | 34,972.89                   | 26,138.39                   |
| Outside India                             | 373.52                      | 465.40                      |
| <b>Total Segment Revenue</b>              | <b>35,346.41</b>            | <b>26,603.79</b>            |

#### B. Major customer

No single customer contributed 10% or more of the total revenue of the Group for the year ended 31 March 2022 and 31 March 2021

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(Amount in ₹ millions, except otherwise stated)

### 43 Contingent liabilities and commitments

| Particulars                                         | As at<br>31 March 2022 | As at<br>31 March 2021 |
|-----------------------------------------------------|------------------------|------------------------|
| (i) Contingent liabilities                          |                        |                        |
| Claims against the Group not acknowledged as debts: |                        |                        |
| - Income-tax demands (also refer note (iii) below)  | 130.01                 | 94.65                  |
| - Central excise                                    | 18.65                  | 18.65                  |
| - Service tax                                       | 21.58                  | 21.58                  |
| - Goods and Service tax                             | 0.79                   | -                      |
|                                                     | 171.03                 | 134.88                 |

#### Notes:

- (a) It is not practicable for the Group to estimate the timings of cash outflows, if any, in respect to the above pending resolution of the respective proceedings.
- (b) The amounts disclosed above represent the best possible estimates arrived at on the basis of available information and do not include any penalty payable.
- (c) Pursuant to a search and seizure operation under section 132 of the Income-tax Act, 1961 (hereinafter in this note referred to as the 'IT Act') conducted by the Income-tax department in November 2017, notices under section 153A and section 142(1) of the IT Act were issued for the assessment years 2011-12 to 2017-18 to the Holding Company. Subsequently, the Deputy Commissioner of Income-tax has raised demands amounting to ₹74.56 millions on the Holding Company for the said assessment years. The Holding Company has filed appeal against the said orders. Further, the Deputy Director of Income-tax (Investigation), Unit - 2(1), Kolkata, has filed a criminal complaint against the Holding Company and some of the Key Management Personnel under section 277A of the IT Act. Based on the facts of the matter and an independent assessment done by the Holding Company, the management remains fairly confident of a favorable outcome and therefore, does not foresee any material financial liability devolving on the Holding Company in this respect of the aforementioned demand/ litigation and accordingly, no provision has been made in these consolidated financial statements.

| Particulars                                                                                                             | As at<br>31 March 2022 | As at<br>31 March 2021 |
|-------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| (ii) Commitments:                                                                                                       |                        |                        |
| Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advance) | 26.59                  | 36.94                  |
|                                                                                                                         | 26.59                  | 36.94                  |

### 44 Outstanding foreign currency balances

The trade receivables and advance from customers as at 31 March 2022, inter-alia, include receivables and advances in foreign currency aggregating to Nil (31 March 2021 - ₹13.00 millions) and ₹8.93 millions (31 March 2021 - ₹5.43 millions) respectively, which, as on date, have been outstanding beyond the timelines stipulated by the applicable provisions of the Reserve Bank of India read with foreign exchange management regulations. The Holding Company has filed necessary applications with appropriate authority in this regard as per the regulations. The management does not envisage any additional financial impact on account of the same at this stage.

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(Amount in ₹ millions, except otherwise stated)

### 45 Financial instruments – fair values and risk management

#### A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy:

| Particulars                      | Note | Carrying amount                           |                                                       |          |                       | Fair value |         |         |
|----------------------------------|------|-------------------------------------------|-------------------------------------------------------|----------|-----------------------|------------|---------|---------|
|                                  |      | Fair value through profit or loss (FVTPL) | Fair value through Other Comprehensive Income (FVOCI) | Cost     | Total carrying amount | Level 1    | Level 2 | Level 3 |
| As at 31 March 2022              |      |                                           |                                                       |          |                       |            |         |         |
| Financial assets                 |      |                                           |                                                       |          |                       |            |         |         |
| Investments                      | 9    | -                                         | 0.26                                                  | -        | 0.26                  | -          | -       | 0.26    |
| Other financial assets           | 10   | 46.23                                     | -                                                     | 708.95   | 755.18                | 46.23      | -       | -       |
| Trade receivables                | 15   | -                                         | -                                                     | 393.98   | 393.98                | -          | -       | -       |
| Cash and cash equivalents        | 16   | -                                         | -                                                     | 95.44    | 95.44                 | -          | -       | -       |
| Other bank balances              | 17   | -                                         | -                                                     | 2,692.69 | 2,692.69              | -          | -       | -       |
|                                  |      | 46.23                                     | 0.26                                                  | 3,891.06 | 3,937.55              | 46.23      | -       | 0.26    |
| Financial liabilities            |      |                                           |                                                       |          |                       |            |         |         |
| Borrowing (*)                    | 20   | 4,313.54                                  | -                                                     | 4,335.01 | 8,648.55              | 4,313.54   | -       | -       |
| Lease liabilities                | 21   | -                                         | -                                                     | 1,629.64 | 1,629.64              | -          | -       | -       |
| Other financial liabilities      | 22   | -                                         | -                                                     | 325.19   | 325.19                | -          | -       | -       |
| Trade payables                   | 25   | -                                         | -                                                     | 1,174.23 | 1,174.23              | -          | -       | -       |
|                                  |      | 4,313.54                                  | -                                                     | 7,464.07 | 11,777.61             | 4,313.54   | -       | -       |
| As at 31 March 2021              |      |                                           |                                                       |          |                       |            |         |         |
| Financial assets                 |      |                                           |                                                       |          |                       |            |         |         |
| Investment in equity instruments | 9    | -                                         | 0.26                                                  | -        | 0.26                  | -          | -       | 0.26    |
| Other financial assets           | 10   | -                                         | -                                                     | 805.17   | 805.17                | -          | -       | -       |
| Trade receivables                | 15   | -                                         | -                                                     | 275.59   | 275.59                | -          | -       | -       |
| Cash and cash equivalents        | 16   | -                                         | -                                                     | 85.13    | 85.13                 | -          | -       | -       |
| Other bank balances              | 17   | -                                         | -                                                     | 1,196.03 | 1,196.03              | -          | -       | -       |
|                                  |      | -                                         | 0.26                                                  | 2,361.92 | 2,362.18              | -          | -       | 0.26    |
| Financial liabilities            |      |                                           |                                                       |          |                       |            |         |         |
| Borrowing (*)                    | 20   | 2,504.15                                  | -                                                     | 2,834.84 | 5,338.99              | 2,504.15   | -       | -       |
| Lease liabilities                | 21   | -                                         | -                                                     | 1,473.66 | 1,473.66              | -          | -       | -       |
| Other financial liabilities      | 22   | 81.16                                     | -                                                     | 169.04   | 250.20                | 81.16      | -       | -       |
| Trade payables                   | 25   | -                                         | -                                                     | 609.35   | 609.35                | -          | -       | -       |
|                                  |      | 2,585.31                                  | -                                                     | 5,086.89 | 7,672.20              | 2,585.31   | -       | -       |

#### B. Measurement of fair values

##### Valuation techniques and significant unobservable inputs

- The fair value of cash and cash equivalents, other bank balances, trade receivables, loans, trade payables and other financial assets and liabilities approximate their carrying amount largely due to the short-term nature of these instruments.
- Investments in equity instruments are classified as FVOCI. The carrying cost of unquoted equity instrument has been considered as an appropriate estimate of fair value in the current year. There are no such significant unobservable inputs used for the valuation technique.
- In case of derivatives, the fair value is determined using quoted forward exchange rates at the reporting dates in the respective commodities and currencies. There are no such significant unobservable inputs used for the valuation technique.

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(Amount in ₹ millions, except otherwise stated)

### 45 Financial instruments – fair values and risk management (Contd.)

#### C. Level 3 fair values – Movement in the values of unquoted equity instruments

The following table shows a reconciliation from the opening balance to the closing balance for Level 3 fair values.

| Particulars                                         | As at<br>31 March 2022 | As at<br>31 March 2021 |
|-----------------------------------------------------|------------------------|------------------------|
| Balance as at the beginning of the year             | 0.26                   | 0.26                   |
| Fair value gain through Other Comprehensive Income: |                        |                        |
| - Net change in fair value (unrealised)             | -                      | -                      |
| Balance as at the end of the year                   | 0.26                   | 0.26                   |

#### D. Risk management

The Group's principal financial liabilities includes borrowings, trade payable and other financial liabilities. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade receivables, cash and cash equivalents, other bank balances and other financial assets that derive directly from its operations.

The Group's activities expose it to credit risk, liquidity risk and market risk. The Group's primary risk management focus is to minimise potential adverse effects of market risk on its financial performance. The Group exposure to credit risk is influenced mainly by the individual characteristic of each customer. The Group's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Group's activities.

##### (i) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and loans given. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to customers, including outstanding accounts receivables. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Group assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

In respect of trade and other receivables, the Group is not exposed to any significant credit risk exposure to any single counterparty or any Group of counterparties having similar characteristics. Trade receivables consist of a large number of customers. The Group has very limited history of customer default, and considers the credit quality of trade receivables that are not past due or impaired to be good.

The credit risk for cash and cash equivalents, bank deposits, loans and financial instruments is considered negligible, since the counterparties are reputable organisations with high quality external credit ratings.

The following tables provide information about the exposure to credit risk for trade receivables:

|                     | less than 60<br>days | from 61 to<br>90 days | from 91 to<br>180 days | from 180 to<br>365 days | more than<br>365 days | Total  |
|---------------------|----------------------|-----------------------|------------------------|-------------------------|-----------------------|--------|
| As at 31 March 2022 | 289.57               | 83.58                 | 19.88                  | 0.42                    | 23.7                  | 417.10 |
| As at 31 March 2021 | 184.30               | 45.51                 | 17.76                  | -                       | 53.58                 | 301.15 |

##### (ii) Liquidity risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Group finance team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Group liquidity position through rolling forecasts on the basis of expected cash flows.

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(Amount in ₹ millions, except otherwise stated)

### 45 Financial instruments – fair values and risk management (Contd.)

The Group approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group reputation.

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

| Particulars                             | Contractual cashflows |                  |                  |               |               |                   |
|-----------------------------------------|-----------------------|------------------|------------------|---------------|---------------|-------------------|
|                                         | Carrying amount       | Total            | Less than 1 year | 1 - 2 years   | 2 - 5 years   | More than 5 years |
| <b>As on 31 March 2022:</b>             |                       |                  |                  |               |               |                   |
| Borrowings (including accrued interest) | 8,648.55              | 8,648.55         | 8,644.60         | 1.06          | 2.89          | -                 |
| Lease liabilities                       | 1,629.64              | 2,679.48         | 362.48           | 347.49        | 880.34        | 1,089.17          |
| Trade payables                          | 1,174.23              | 1,174.23         | 1,174.23         | -             | -             | -                 |
| Other financial liabilities             | 325.19                | 325.19           | 317.10           | 8.09          | -             | -                 |
|                                         | <b>11,777.61</b>      | <b>12,827.45</b> | <b>10,498.41</b> | <b>356.64</b> | <b>883.23</b> | <b>1,089.17</b>   |
| <b>As on 31 March 2021:</b>             |                       |                  |                  |               |               |                   |
| Borrowings (including accrued interest) | 5,338.99              | 5,338.99         | 5,334.93         | 1.06          | 3.00          | -                 |
| Lease liabilities                       | 1,473.66              | 2,494.07         | 319.26           | 305.96        | 798.91        | 1,069.94          |
| Trade payables                          | 609.35                | 609.35           | 609.35           | -             | -             | -                 |
| Other financial liabilities             | 250.20                | 250.20           | 250.20           | -             | -             | -                 |
|                                         | <b>7,672.20</b>       | <b>8,692.61</b>  | <b>6,513.74</b>  | <b>307.02</b> | <b>801.91</b> | <b>1,069.94</b>   |

#### (iii) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

##### (a) Currency risk

The Group is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the Group's functional currency.

| Exposure to currency risk    | Currency          | 31 March 2022 | 31 March 2021 |
|------------------------------|-------------------|---------------|---------------|
| Trade receivables (unhedged) | USD (in millions) | 1.19          | 1.56          |
|                              | INR               | 90.59         | 114.67        |
| Trade payables (unhedged)    | USD (in millions) | -             | -             |
|                              | INR               | -             | -             |

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(Amount in ₹ millions, except otherwise stated)

### 45 Financial instruments – fair values and risk management (Contd.)

#### Sensitivity analysis

A reasonably possible strengthening /weakening of the Indian Rupee against US dollars as at the reporting period would have affected the measurement of financial instruments denominated in US dollars and affects profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

| Particulars                         | 31 March 2022    |                     | 31 March 2021    |                     |
|-------------------------------------|------------------|---------------------|------------------|---------------------|
|                                     | Profit or (loss) | Equity (net of tax) | Profit or (loss) | Equity (net of tax) |
| INR/USD strengthening [5% movement] | 4.53             | 3.39                | 5.73             | 4.29                |
| INR/USD weakening [5% movement]     | (4.53)           | (3.39)              | (5.73)           | (4.29)              |

#### (b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group exposure to the risk of changes in market interest rates relates primarily to the Group long term and short term borrowing with floating interest rates. The Group constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

The interest rate profile of the Group 's interest bearing financial instruments at the end of the reporting period are as follows:

| Particulars                      | 31 March 2022 | 31 March 2021 |
|----------------------------------|---------------|---------------|
| <b>Fixed rate instruments</b>    |               |               |
| Financial assets                 | 1,511.54      | 657.04        |
| Financial liabilities            | 5.20          | 8.00          |
| <b>Variable rate instruments</b> |               |               |
| Financial assets                 | -             | -             |
| Financial liabilities            | 8,643.35      | 5,330.99      |
|                                  | 8,643.35      | 5,330.99      |

#### Sensitivity analysis

Fixed rate instruments that are carried at amortised cost are not subject to interest rate risk for the purpose of sensitivity analysis.

A reasonably possible change of 100 basis points in variable rate instruments at the reporting dates would have increased or decreased profit or loss by the amounts shown below:

| Particulars                                                   | 31 March 2022  |                     | 31 March 2021  |                     |
|---------------------------------------------------------------|----------------|---------------------|----------------|---------------------|
|                                                               | Profit or Loss | Equity (net of tax) | Profit or Loss | Equity (net of tax) |
| Variable rate instruments – increase by 100 basis points (1%) | 86.43          | 64.68               | 53.31          | 39.89               |
| Variable rate instruments – decrease by 100 basis points (1%) | (86.43)        | (64.68)             | (53.31)        | (39.89)             |

The sensitivity analysis above has been determined for borrowings assuming the amount of borrowings outstanding at the end of the reporting period was outstanding for the whole year.

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(Amount in ₹ millions, except otherwise stated)

### 45 Financial instruments – fair values and risk management (Contd.)

#### E. Hedging activity and derivatives

##### Fair value hedge of gold price risk in inventory

The Group is exposed to fluctuations in gold price (including fluctuations in foreign currency) arising on purchase/sale of gold and inventory of gold lying with the Group. To manage the variability in cash flows, the Group enters into derivative financial instruments to manage the risk associated with gold price fluctuations relating to the highly probable forecasted transactions. Such derivative financial instruments are primarily in the nature of future commodity contracts. The risk management strategy against gold price fluctuation also includes procuring gold on loan basis, with a flexibility to fix price of gold at anytime during the tenor of the loan.

The Group designates certain derivatives as hedging instruments in respect of commodity price risk in cash flow hedges and fair value hedges. As the value of the derivative instrument generally changes in response to the value of the hedged item, the economic relationship is established.

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments, to ensure that an economic relationship exists between the hedged item and the hedging instrument. The Group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item, and so a qualitative assessment of effectiveness is performed. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Group uses the hypothetical derivative method to assess effectiveness. The Group assesses the effectiveness of its designated hedges by using the same hedge ratio as that resulting from the quantities of the hedged item and the hedging instrument that the Group actually uses.

#### (a) Disclosures of effects of hedge accounting on balance sheet:

| Commodity price risk                                             | Carrying amount of hedge item |             | Carrying amount of hedging instrument |             | Maturity date                      | Balance sheet classification | Impact of change in fair value relating to the hedged risk (spot) |
|------------------------------------------------------------------|-------------------------------|-------------|---------------------------------------|-------------|------------------------------------|------------------------------|-------------------------------------------------------------------|
|                                                                  | Assets                        | Liabilities | Assets                                | Liabilities |                                    |                              |                                                                   |
| As at 31 March 2022                                              |                               |             |                                       |             |                                    |                              |                                                                   |
| Hedged item - inventory of gold                                  | 11,164.86                     | -           | N.A.                                  | N.A.        | Range - with in six to nine months | Inventories                  | 253.68                                                            |
| Hedging instrument - option to fix gold price (gold metal loans) | N.A.                          | N.A.        | -                                     | 4,313.54    |                                    | Current borrowings           | 253.68                                                            |
| As at 31 March 2021                                              |                               |             |                                       |             |                                    |                              |                                                                   |
| Hedged item - inventory of gold                                  | 8,077.68                      | -           | N.A.                                  | N.A.        | Range - with in six to nine months | Inventories                  | (90.65)                                                           |
| Hedging instrument - option to fix gold price (gold metal loans) | N.A.                          | N.A.        | -                                     | 2,504.15    |                                    | Current borrowings           | (90.65)                                                           |

#### (b) Disclosure of effects of hedge accounting in the Statement of Profit and Loss:

| Type of hedge                    | Change in value of hedging instrument recognised in Other Comprehensive Income | Hedge ineffectiveness recognised [Gain / (loss)] | Amount reclassified from cash flow hedge reserve | Line item affected on reclassification |
|----------------------------------|--------------------------------------------------------------------------------|--------------------------------------------------|--------------------------------------------------|----------------------------------------|
| <b>Cash flow hedge</b>           |                                                                                |                                                  |                                                  |                                        |
| For the year ended 31 March 2022 |                                                                                |                                                  |                                                  |                                        |
| Commodity price risk             | (327.44)                                                                       | 2.02                                             | 333.04                                           | Purchase cost                          |
| For the year ended 31 March 2021 |                                                                                |                                                  |                                                  |                                        |
| Commodity price risk             | (173.84)                                                                       | -                                                | 168.24                                           | Purchase cost                          |

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(Amount in ₹ millions, except otherwise stated)

### 45 Financial instruments – fair values and risk management (Contd.)

#### (c) Movement in cash flow hedge reserve and cost of hedging reserve:

| Particulars                                                    | Year ended<br>31 March 2022 | Year ended<br>31 March 2021 |
|----------------------------------------------------------------|-----------------------------|-----------------------------|
| Cash flow hedge reserve                                        |                             |                             |
| Balance as at the beginning of the year                        | (4.19)                      | -                           |
| Add: Changes in fair value of future commodity derivatives     | (327.44)                    | (173.84)                    |
| Less: Amounts reclassified to the Statement of Profit and Loss | 333.04                      | 168.24                      |
| Less: Deferred tax relating to above (net)                     | (1.41)                      | 1.41                        |
| Balance as at the end of the year                              | -                           | (4.19)                      |

### 46 Ratios disclosed as per requirement of Schedule III to the Act

|                                                                                                               | As at<br>31 March 2022 | As at<br>31 March 2021 |
|---------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| (a) Return on equity ratio                                                                                    |                        |                        |
| Profit for the year (Numerator)                                                                               | 1,291.02               | 614.82                 |
| Average shareholder's equity (Denominator)                                                                    | 6,642.94               | 5,772.17               |
| Return on equity (%)                                                                                          | 19.43%                 | 10.65%                 |
| % Change as compared to the preceding year                                                                    | 82.46%                 |                        |
| Explanation for variation:                                                                                    |                        |                        |
| (i) The aforementioned variation is largely owing to a increase in gross margins of the Group.                |                        |                        |
| (b) Return on capital employed<br>[Capital Employed = Total equity + borrowings (including accrued interest)] |                        |                        |
| Earning before interest and taxes (Numerator)                                                                 | 2,478.38               | 1,502.98               |
| Capital employed (Denominator)                                                                                | 15,908.22              | 11,365.19              |
| Return on capital employed                                                                                    | 15.58%                 | 13.22%                 |
| % Change as compared to the preceding year                                                                    | 17.81%                 |                        |
|                                                                                                               | Refer note (i) below   |                        |
| (c) Current ratio<br>[Current assets / Current liabilities]                                                   |                        |                        |
| Current assets (Numerator)                                                                                    | 18,013.72              | 12,681.28              |
| Current liabilities (Denominator)                                                                             | 12,265.69              | 8,196.12               |
| Current ratio (times)                                                                                         | 1.47                   | 1.55                   |
| % Change as compared to the preceding year                                                                    | (5.08%)                |                        |
|                                                                                                               | Refer note (i) below   |                        |
| (d) Debt-equity ratio<br>[Total debt / Shareholder's equity]                                                  |                        |                        |
| Total debt (Numerator)                                                                                        | 8,648.55               | 5,338.99               |
| Shareholder's equity (Denominator)                                                                            | 7,259.67               | 6,026.20               |
| Debt-equity ratio (times)                                                                                     | 1.19                   | 0.89                   |
| % Change as compared to the preceding year                                                                    | 34.47%                 |                        |
| Explanation for variation:                                                                                    |                        |                        |
| (i) The aforementioned variation is largely owing to increase in Gold metal loans and working capital loans   |                        |                        |

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(Amount in ₹ millions, except otherwise stated)

### 46 Ratios disclosed as per requirement of Schedule III to the Act (Contd.)

|                                                                                                                | As at<br>31 March 2022 | As at<br>31 March 2021 |
|----------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| (e) Inventory turnover ratio<br>[Average Inventory = (Opening balance + Closing balance) / 2]                  |                        |                        |
| Sales for the year (Numerator)                                                                                 | 35,346.41              | 26,603.79              |
| Average inventory (Denominator)                                                                                | 12,153.59              | 10,632.93              |
| Inventory turnover ratio (times)                                                                               | 2.91                   | 2.50                   |
| % Change as compared to the preceding year                                                                     | 16.24%                 |                        |
|                                                                                                                | Refer note (i) below   |                        |
| (f) Trade receivables turnover ratio<br>[Average trade receivables = (Opening balance + Closing balance) / 2]  |                        |                        |
| Revenue from operations (Numerator)                                                                            | 35,346.41              | 26,603.79              |
| Average trade receivable (Denominator)                                                                         | 334.79                 | 276.33                 |
| Trade receivables turnover ratio (times)                                                                       | 105.58                 | 96.28                  |
| % Change as compared to the preceding year                                                                     | 9.66%                  |                        |
|                                                                                                                | Refer note (i) below   |                        |
| (g) Trade payables turnover ratio<br>[Average trade payables = (Opening balance + Closing balance) / 2]        |                        |                        |
| Purchase of raw materials and stock-in-trade (Numerator)                                                       | 33,323.12              | 22,377.54              |
| Average trade payables (Denominator)                                                                           | 891.79                 | 930.15                 |
| Trade payables turnover ratio (times) (*)                                                                      | 37.37                  | 24.06                  |
| % Change as compared to the preceding year                                                                     | 55.32%                 |                        |
| Explanation for variation:                                                                                     |                        |                        |
| (i) The aforementioned variation is primarily owing to increase in the operations of the Group during the year |                        |                        |
| (h) Net capital turnover ratio<br>[Working capital is calculated as current assets (-) current liabilities]    |                        |                        |
| Revenue from operations (Numerator)                                                                            | 35,346.41              | 26,603.79              |
| Working capital (Denominator)                                                                                  | 5,748.03               | 4,485.16               |
| Net capital turnover ratio (times) (*)                                                                         | 6.15                   | 5.93                   |
| % Change as compared to the preceding year                                                                     | 3.67%                  |                        |
|                                                                                                                | Refer note (i) below   |                        |
| (i) Net profit ratio                                                                                           |                        |                        |
| Profit for the year (Numerator)                                                                                | 1,291.02               | 614.82                 |
| Revenue from operations (Denominator)                                                                          | 35,346.41              | 26,603.79              |
| Net profit ratio                                                                                               | 3.65%                  | 2.31%                  |
| % Change as compared to the preceding year                                                                     | 58.05%                 |                        |
| Explanation for variation:                                                                                     |                        |                        |
| (i) The aforementioned variation is owing to increase in level of operations and improvement in gross margins. |                        |                        |

#### Note:

- (i) Explanations have been furnished for change in ratio by more than 25% as compared to the preceding year as stipulated in Schedule III to the Act.

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(Amount in ₹ millions, except otherwise stated)

### 47 Capital management

The Group's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investors, creditors and market confidence and to sustain future development and growth of its business. In order to maintain the capital structure, the Group monitors the return on capital, as well as the level of dividends to equity shareholders. The Group aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to all its shareholders. The Group is not subject to externally imposed capital requirements. For the purpose of the Group's capital management, capital includes issued equity share capital, instruments entirely equity in nature and all other equity reserves attributable to the equity holders and debt includes borrowings and lease liabilities.

The Group monitors capital on the basis of the following gearing ratio.

| Particulars                            | As at<br>31 March 2022 | As at<br>31 March 2021 |
|----------------------------------------|------------------------|------------------------|
| Total debt (Bank and other borrowings) | 8,648.55               | 5,338.99               |
| Equity (including other equity)        | 7,259.67               | 6,026.20               |
| Debt to equity ratio                   | 1.19:1                 | 0.89:1                 |

### 48 Details related to borrowings secured against current assets

The Holding Company has given current assets as security for borrowings obtained from banks. The Holding Company duly submitted the required information with the banks on regular basis and the required reconciliation is presented below:

| Quarter ended                           | Particulars         | Amount as<br>per books of<br>accounts | Amount as<br>reported in the<br>quarterly return /<br>statement | Amount of<br>difference | Reason for material<br>variations |
|-----------------------------------------|---------------------|---------------------------------------|-----------------------------------------------------------------|-------------------------|-----------------------------------|
| <b>For the year ended 31 March 2022</b> |                     |                                       |                                                                 |                         |                                   |
| 31 March 2022                           |                     |                                       |                                                                 |                         |                                   |
|                                         | - Trade receivables | 395.37                                | 395.70                                                          | (0.33)                  | Refer note (a) below.             |
|                                         | - Inventories       | 13,886.63                             | 13,954.60                                                       | (67.97)                 | Refer note (c) below.             |
| 31 December 2021                        |                     |                                       |                                                                 |                         |                                   |
|                                         | - Trade receivables | 396.75                                | 402.70                                                          | (5.95)                  | Refer note (a) below.             |
|                                         | - Inventories       | 13,494.94                             | 13,337.50                                                       | 157.44                  | Refer note (b) below.             |
| 30 September 2021                       |                     |                                       |                                                                 |                         |                                   |
|                                         | - Trade receivables | 581.05                                | 559.10                                                          | 21.95                   | Refer note (d) below.             |
|                                         | - Inventories       | 12,613.46                             | 12,713.80                                                       | (100.34)                | Refer note (b) below.             |
| 30 June 2021                            |                     |                                       |                                                                 |                         |                                   |
|                                         | - Trade receivables | 305.89                                | 303.80                                                          | 2.09                    | Refer note (a) below.             |
|                                         | - Inventories       | 10,870.98                             | 11,088.50                                                       | (217.52)                | Refer note (b) below.             |
| <b>For the year ended 31 March 2021</b> |                     |                                       |                                                                 |                         |                                   |
| 31 March 2021                           |                     |                                       |                                                                 |                         |                                   |
|                                         | - Trade receivables | 275.59                                | 266.80                                                          | 8.79                    | Refer note (a) below.             |
|                                         | - Inventories       | 10,394.73                             | 10,284.00                                                       | 110.73                  | Refer note (c) below.             |
| 31 December 2020                        |                     |                                       |                                                                 |                         |                                   |
|                                         | - Trade receivables | 455.22                                | 472.60                                                          | (17.38)                 | Refer note (a) below.             |
|                                         | - Inventories       | 11,431.93                             | 11,473.10                                                       | (41.17)                 | Refer note (b) below.             |
| 30 September 2020                       |                     |                                       |                                                                 |                         |                                   |
|                                         | - Trade receivables | 325.45                                | 285.70                                                          | 39.75                   | Refer note (d) below.             |
|                                         | - Inventories       | 11,769.37                             | 11,482.70                                                       | 286.67                  | Refer note (e) below.             |
| 30 June 2020                            |                     |                                       |                                                                 |                         |                                   |
|                                         | - Trade receivables | 99.68                                 | 40.90                                                           | 58.78                   | Refer note (d) below.             |
|                                         | - Inventories       | 10,591.99                             | 9,970.30                                                        | 621.69                  | Refer note (e) below.             |

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(Amount in ₹ millions, except otherwise stated)

### 48 Details related to borrowings secured against current assets (Contd.)

#### Notes:

- No significant variation.
- Variation is owing to the purchase difference of unfixed gold metal loans, which is not recorded in the books at the quarter end. However, the same is included on estimation basis in the quarterly returns submitted to the banks.
- Variation is owing to the purchase difference recorded in the books at the year end on the unfixed gold metal loans on actual basis whereas the same was included in the quarterly statements submitted to the banks on an estimated basis.
- Variation is owing to certain debtors viz. wholesale, export etc. which were not considered by the management while submission of the quarterly return/ statement to the banks.
- Variation is owing to manual adjustment of inventory lying with the Karigars which submitting the inventory to the banks.

### 49 Additional information as required by paragraph 2 of the general instructions for preparation of the consolidated financial statements as per Schedule III of the Act:

| Name of the Company                                          | Net assets (total assets minus total liabilities) |                 | Share in profit or (loss) |                 | Share in other comprehensive income ('OCI') | Share in total comprehensive income |                                      |                 |
|--------------------------------------------------------------|---------------------------------------------------|-----------------|---------------------------|-----------------|---------------------------------------------|-------------------------------------|--------------------------------------|-----------------|
|                                                              | As a % of net assets                              | Amount          | As a % of profit or loss  | Amount          | As a % of OCI                               | Amount                              | As a % of total comprehensive income | Amount          |
| <b>As at 31 March 2022</b>                                   |                                                   |                 |                           |                 |                                             |                                     |                                      |                 |
| Senco Gold Limited (Holding Company)                         | 100%                                              | 7,250.55        | 101%                      | 1,301.43        | 101%                                        | 8.18                                | 101%                                 | 1,309.61        |
| "Senco Gold Artisanship Private Limited (Subsidiary company) | 0%                                                | 9.12            | (1%)                      | (10.41)         | (1%)                                        | (0.09)                              | (1%)                                 | (10.50)         |
| <b>Total</b>                                                 |                                                   | <b>7,259.67</b> |                           | <b>1,291.02</b> |                                             | <b>8.09</b>                         |                                      | <b>1,299.11</b> |
| <b>As at 31 March 2021</b>                                   |                                                   |                 |                           |                 |                                             |                                     |                                      |                 |
| Senco Gold Limited (Holding Company)                         | 100%                                              | 6,006.58        | 100%                      | 615.21          | 100%                                        | (7.01)                              | 100%                                 | 608.20          |
| Senco Gold Artisanship Private Limited (Subsidiary company)  | 0%                                                | 19.62           | 0%                        | (0.39)          | 0%                                          | 0.01                                | 0%                                   | (0.38)          |
| <b>Total</b>                                                 |                                                   | <b>6,026.20</b> |                           | <b>614.82</b>   |                                             | <b>(7.00)</b>                       |                                      | <b>607.82</b>   |

### 49 Relationship with struck-off companies

The Group has balance with the below mentioned companies struck off under section 248 of Companies Act, 2013:

| Name of the struck-off entity              | Balance outstanding | Relationship with the struck-off entity |
|--------------------------------------------|---------------------|-----------------------------------------|
| <b>As at 31 March 2022</b>                 |                     |                                         |
| <b>Trade payables</b>                      |                     | Vendor to the Group                     |
| - Maharani Jewellery India Private Limited | 4.17                |                                         |
| <b>As at 31 March 2021</b>                 |                     |                                         |
| <b>Trade payables</b>                      |                     | Vendor to the Group                     |
| - Maharani Jewellery India Private Limited | 4.17                |                                         |

### 50 Other statutory information

- The Group does not have any Benami property, where any proceeding have been initiated or pending against the Company for holding any Benami property.
- The Group does not have any charge or satisfaction of charge, which is yet to be registered with Registrar of Companies beyond the statutory period.

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(Amount in ₹ millions, except otherwise stated)

### 50 Other statutory information (Contd.)

- (iii) The Group has not traded or invested in crypto-currency or virtual currency during the financial year.
- (iv) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:
  - a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries); or
  - b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (v) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
  - a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or
  - b. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vi) The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income-tax Act, 1961).
- (vii) The Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (viii) The Group has not entered into any scheme of arrangement which has an accounting impact on the current or previous financial year.

### 51 Code of Social Security, 2020

The Code of Social Security, 2020 ('Code') relating to employee benefits during employment and post employment received Presidential assent in September 2020. Subsequently, the Ministry of Labour and Employment had released the draft rules on the aforementioned Code. However, the same is yet to be notified. The Group will evaluate the impact (if any) and make necessary adjustments to the consolidated financial statements in the period when the Code will come into effect.

### 52 Impact of Covid - 19 pandemic

The Group continues to closely monitor the impact of the Coronavirus Disease 2019 (COVID-19), which was declared as a pandemic by the World Health Organisation and has made detailed assessment of the impact of the aforementioned pandemic on its liquidity position and recoverability of its assets as at the balance sheet date and currently believes that there will not be any significant adverse impact on the long-term operations, financial position and performance of the Group.

53 In the Board Meeting dated 10 July 2021, the Board of Directors of the Holding Company have approved capital raising comprising of fresh issue of equity shares through an Initial Public Offerings ( 'IPO' ).

As per our report of even date attached

For Walker Chandiok & Co LLP

Chartered Accountants

Firm's Registration Number: 001076N/N500013

Rajni Mundra

Partner

Membership No.: 058644

For and on behalf of the Board of Directors of  
Senco Gold Limited

Suvankar Sen

Managing Director and

Chief Executive Officer

DIN: 01178803

Joita Sen

Director

DIN: 08828875

Surendra Gupta

Company Secretary and

Compliance Officer

Membership No.: A20666

Place: Kolkata

Date: 21 July 2022

Sanjay Banka

Chief Financial Officer

Place: Kolkata

Date: 21 July 2022

## DETAILS OF PROPOSED ALLOTTEES

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment of the Equity Shares pursuant to this Issue shall be made by our Company, in consultation with the BRLMs, to Eligible QIBs, on a discretionary basis. The names of the proposed Allottees and the percentage of post-Issue capital that may be held by them is set forth below. These details of the proposed Allottees, assuming that the Equity Shares are Allotted to them pursuant to the Issue, will be included in the Placement Document to be sent to such proposed Allottees.

| S. No. | Name of the proposed Allottees <sup>#</sup> | Percentage of the post-Issue share capital held (%) <sup>(1)(2)</sup> |
|--------|---------------------------------------------|-----------------------------------------------------------------------|
| 1.     | [●]                                         | [●]                                                                   |
| 2.     | [●]                                         | [●]                                                                   |
| 3.     | [●]                                         | [●]                                                                   |
| 4.     | [●]                                         | [●]                                                                   |

<sup>(1)</sup> Based on beneficiary position as on [●] (adjusted for Equity Shares Allocated in the Issue).

<sup>(2)</sup> The post-Issue shareholding (in percentage terms) of the proposed Allottees will be disclosed on the basis of their respective PAN, except in case of Mutual Funds, insurance companies, and Eligible FPIs (investing through different sub accounts having common PAN across such sub accounts) wherein their respective DP ID and Client ID will be considered.

<sup>#</sup>The details of the proposed Allottees have been intentionally left blank and will be filled in before filing the Placement Document with the Stock Exchanges and issuing the Placement Document to such proposed Allottees.

## DECLARATION

The Company certifies that all relevant provisions of Chapter VI read with Schedule VII of the SEBI ICDR Regulations have been complied with and no statement made in this Preliminary Placement Document is contrary to the provisions of Chapter VI and Schedule VII of the SEBI ICDR Regulations and that all approvals and permissions required to carry on the Company's business have been obtained, are currently valid and have been complied with. The Company further certifies that all the statements in this Preliminary Placement Document are true and correct.

**For and on behalf of the Board of Directors, signed by:**

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Authorised Signatory

**Name:** Suvankar Sen

**Designation:** Managing Director and Chief Executive Officer

**Date:** December 10, 2024

**Place:** Kolkata

## DECLARATION

We, the Board of Directors of the Company, certify that:

- (i) The Company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder;
- (ii) the compliance with the Companies Act, 2013 and the rules made thereunder does not imply that payment of dividend or interest or repayment of preference shares or debentures, if applicable, is guaranteed by the Central Government; and
- (iii) the monies received under the Issue shall be used only for the purposes and objects indicated in this Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4).

**For and on behalf of the Board of Directors, signed by:**

---

Authorised Signatory

**Name:** Suvankar Sen

**Designation:** Managing Director and Chief Executive Officer

**Date:** December 10, 2024

**Place:** Kolkata

I am authorised by the QIP Committee, *vide* resolution dated December 10, 2024 to sign this form and declare that all the requirements of the Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoter subscribing to the Memorandum of Association and the Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

**Signed by:**

---

**Name:** Suvankar Sen

**Designation:** Managing Director and Chief Executive Officer

**Date:** December 10, 2024

**Place:** Kolkata

## **SENCO GOLD LIMITED**

### **Registered and Corporate Office**

Diamond Prestige, 41A, A.J.C. Bose Road  
10th floor, Unit no. 1001  
Kolkata – 700 017  
West Bengal, India

**Telephone:** +91 33 4021 5000

**E-mail:** corporate@sencogold.co.in

**Website:** www.sencogoldanddiamonds.com

**CIN:** L36911WB1994PLC064637

### **Contact Person**

Mukund Chandak, Company Secretary and Compliance Officer

**Address:** Diamond Prestige, 41A, A.J.C. Bose Road, 10th floor,  
Unit no. 1001, Kolkata – 700 017,  
West Bengal, India

**Telephone:** +91 33 4021 5000

**E-mail:** corporate@sencogold.co.in

## **BOOK RUNNING LEAD MANAGERS**

### **Ambit Private Limited**

Ambit House, 449, Senapati Bapat Marg  
Lower Parel, Mumbai 400 013  
Maharashtra, India

### **Emkay Global Financial Services Limited**

7th Floor, The Ruby, Senapati Bapat Marg,  
Dadar (West), Mumbai 400 028,  
Maharashtra, India

## **STATUTORY AUDITORS OF OUR COMPANY**

### **Walker Chandiok & Co. LLP**

16th Floor, Tower II, One International Center,  
S B Marg, Prabhadevi (W), Mumbai - 400 013,  
Maharashtra, India

## **LEGAL COUNSEL TO OUR COMPANY AS TO INDIAN LAW**

*As to Indian Law*

### **J. Sagar Associates**

One Lodha Place, 27<sup>th</sup> Floor  
Senapati Bapat Marg  
Lower Parel, Mumbai – 400 013  
Maharashtra, India

## **LEGAL COUNSELS TO THE BOOK RUNNING LEAD MANAGERS**

*As to Indian law*

### **Dentons Link Legal**

Aiwan-e-Ghalib Complex,  
Mata Sundri Lane,  
New Delhi 110 002, India

*As to United States law*

### **Dentons US LLP**

2000, McKinney Avenue  
Suite 1900 Dallas  
Texas 75201  
United States of America

## SAMPLE APPLICATION FORM

“An indicative form of the Application Form is set forth below:”

(Note: The format of the Application Form included herein above is indicative and for illustrative purposes only and no Bids in this Issue can be made through the sample Application Form. The Company, in consultation with the BRLMs, shall identify Eligible QIBs and circulate serially numbered copies of this Preliminary Placement Document and the Application Form, specifically addressed to such Eligible QIBs. Any application to be made in the Issue should be made only upon receipt of serially numbered copies of this Preliminary Placement Document and the Application Form and not on the basis of the indicative format below.)



### SENCO GOLD LIMITED

(Incorporated in the Republic of India under the provisions of the Companies Act, 1956)

**Registered Office:** Diamond Prestige, 41A, A.J.C. Bose Road, 10th floor, Unit no. 1001, Kolkata-700017, West Bengal, India

**Contact Person:** Mukund Chandak, Company Secretary and Compliance Officer

**Tel:** +91 33 4021 5000 | **Website:** www.sencogoldanddiamonds.com | **Email:** corporate@sencogold.co.in |

**CIN:** L36911WB1994PLC064637 | **LEI:** 549300D3BL7586VX0W90

### SAMPLE APPLICATION FORM

Form No.: \_\_\_\_\_

Date: \_\_\_\_\_

**Name of the Bidder:** \_\_\_\_\_

**QUALIFIED INSTITUTIONS PLACEMENT OF [●] EQUITY SHARES OF FACE VALUE ₹ 10\* EACH (THE “EQUITY SHARES”) FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (“ISSUE PRICE”) INCLUDING A PREMIUM OF ₹ [●] PER EQUITY SHARE AGGREGATING TO APPROXIMATELY ₹ [●] MILLION UNDER CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE “SEBI ICDR REGULATIONS”) AND SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED (THE “COMPANIES ACT”), READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE “PAS RULES”), AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT AND THE RULES MADE THEREUNDER BY SENCO GOLD LIMITED (THE “COMPANY”) (HEREINAFTER REFERRED TO AS THE “ISSUE”). THE APPLICABLE FLOOR PRICE OF THE EQUITY SHARES IS ₹ 1,139.49 PER EQUITY SHARE AND OUR COMPANY MAY OFFER A DISCOUNT OF UP TO 5% ON THE FLOOR PRICE, AS APPROVED BY THE SHAREHOLDERS.**

*\*Our Board of Directors pursuant to their resolution dated October 4, 2024 and our Shareholders pursuant to a special resolution passed by way of a postal ballot on November 26, 2024, have approved the sub-division of each equity share of our Company of face value ₹ 10 each into 2 equity shares of face value of ₹ 5 each. However, as on the date of this PPD, we are yet to give effect to the sub-division including announcement of the record date for effecting the sub-division and completion of the corporate actions thereunder.*

Only Qualified Institutional Buyers (“QIBs”) as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and which are not: (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; or (b) restricted from participating in the Issue under the SEBI ICDR Regulations and other applicable laws, including foreign exchange related laws; and (c) hold a valid and existing registration under the applicable laws in India (as applicable), and (d) are eligible to invest in the Issue and submit this Application Form. In addition to the above, with respect to the Issue, Eligible QIBs shall consist of (i) QIBs which are resident in India; and (ii) Eligible FPIs (as defined herein below) participating through Schedule II of the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 (“FEMA Rules”), can submit this Application Form. The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”) or any other applicable state securities laws of the United States and, unless so registered, may not be offered, sold or delivered within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in ‘offshore transactions’ as defined in, and in reliance on, Regulation S under the U.S. Securities Act (“Regulation S”) and the applicable laws of the jurisdiction where those offers and sales are made.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdictions. You should note and observe the solicitation and distribution restrictions contained in the sections titled “Selling Restrictions” and “Purchaser Representations and Transfer Restrictions” in the accompanying preliminary placement document dated December 10, 2024 (“PPD”).

ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE THROUGH THE PORTFOLIO INVESTMENT SCHEME UNDER SCHEDULE II OF THE FEMA RULES IN THE ISSUE. ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE IN THE ISSUE SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF THE ELIGIBLE FPIs DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. ALLOTMENTS MADE TO AIFs AND VCFs IN THE ISSUE SHALL REMAIN SUBJECT TO THE RULES AND REGULATIONS APPLICABLE TO EACH OF THEM RESPECTIVELY. OTHER ELIGIBLE NON-RESIDENT QIBs SHALL PARTICIPATE IN THE ISSUE UNDER SCHEDULE I OF FEMA RULES. PURSUANT TO PRESS NOTE NO. 3 (2020 SERIES), DATED APRIL 17, 2020, ISSUED BY THE DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE, GOVERNMENT OF INDIA, AND RULE 6 OF THE FEMA RULES, INVESTMENTS BY AN ENTITY OF A COUNTRY WHICH SHARES LAND BORDER WITH INDIA OR WHERE THE BENEFICIAL OWNER OF SUCH INVESTMENT IS SITUATED IN OR IS A CITIZEN OF SUCH COUNTRY, MAY ONLY BE MADE THROUGH THE GOVERNMENT APPROVAL ROUTE. FVCIs ARE NOT PERMITTED TO PARTICIPATE IN THE ISSUE.

To,

**The Board of Directors  
SENCO GOLD LIMITED**

**Registered Office:** Diamond Prestige, 41A, A.J.C. Bose Road, 10th floor, Unit no. 1001, Kolkata-700017, West Bengal, India

Dear Sirs,

On the basis of the serially numbered PPD of the Company and subject to the terms and conditions contained therein, and in this Application Form, we hereby submit our Application Form for the Allotment

| STATUS (Please tick for applicable category) |                                                            |     |                              |
|----------------------------------------------|------------------------------------------------------------|-----|------------------------------|
| FI                                           | Scheduled Commercial Bank and Financial Institutions       | IC  | Insurance Companies          |
| MF                                           | Mutual Funds                                               | VCF | Venture Capital Funds**      |
| NIF                                          | National Investment Fund                                   | FPI | Foreign Portfolio Investor*  |
| IF                                           | Insurance Funds                                            | AIF | Alternative Investment Funds |
| SI-NBFC                                      | Systematically Important Non – Banking Financial Companies | OTH | Others (Please specify)      |

*\*Foreign portfolio investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended, other than individuals, corporate bodies and family offices who are not allowed to participate in the Issue.*

*\*\* Sponsor and Manager should be Indian owned and controlled.*

of the Equity Shares in the Issue, at the terms and price indicated below.

We confirm that we are an Eligible QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and are not: (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; and (b) restricted from participating in the Issue under the applicable laws, including SEBI ICDR Regulations. We are not a promoter of the Company (as defined in the SEBI ICDR Regulations), or any person related to the promoters of the Company, directly or indirectly. Further, we confirm that we do not have any right under a shareholders' agreement or voting agreement entered into with promoters or persons related to promoters of the Company, veto rights or right to appoint any nominee director on the board of directors of the Company. We confirm that we are either a QIB which is resident in India, or an Eligible FPI, participating through Schedule II of the FEMA Rules or a multilateral or bilateral development financial institution eligible to invest in India under applicable law. We specifically confirm that our Bid for the Allotment of the Equity Shares is not in violation to the amendment made to Rule 6(a) of the FEMA Rules by the Central Government on April 22, 2020. We confirm that we are not an FVCI. We confirm that the Bid size / aggregate number of the Equity Shares applied for by us, and which may be Allocated to us thereon will not exceed the relevant regulatory or approved limits and further confirm that our Bid will not result in triggering an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "**Takeover Regulations**").

We confirm, that we have a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allotted to us in accordance with Chapter VI of the SEBI ICDR Regulations and undertake to comply with the SEBI ICDR Regulations, and all other applicable laws, including any reporting obligations and the terms and conditions mentioned in the Preliminary Placement Document and this Application Form. We confirm that, in relation to our application, each foreign portfolio investor ("**FPI**") as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended (other than individuals, corporate bodies and family offices), and including persons who have been registered under these regulations (such FPIs, "**Eligible FPIs**"), have submitted a separate Application Form, and asset management companies or custodians of mutual funds have specified the details of each scheme for which the application is being made along with the Application Amount and number of Equity Shares to be Allotted under each such scheme. We undertake that we will sign all such documents, provide such documents and do all such acts, if any, necessary on our part to enable us to be registered as the holder(s) of the Equity Shares that may be Allotted to us. We confirm that the signatory is authorized to apply on behalf of the Bidder and the Bidder has all the relevant authorisations. We note that the Company is entitled, in consultation with Ambit Private Limited and Emkay Global Financial Services Limited (the "**Book Running Lead Managers**"), in their sole discretion, to accept or reject this Application Form without assigning any reason thereof.

We hereby agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD, Placement Document and the Confirmation of Allocation Note ("**CAN**"), when issued and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below, subject to receipt of Application Form and the Application Amount towards the Equity Shares that may be allocated to us. The amount payable by us as Application Amount for the Equity Shares applied for in the Issue has been/will be remitted to the designated bank account set out in this Application Form only through electronic mode, along with this duly completed Application Form prior to the Issue Closing Date and such Application Amount has been /will be transferred from a bank account maintained in our name. We acknowledge and agree that we shall not make any payment in cash, demand draft or cheque. We are aware that (i) Allocation and Allotment in the Issue shall be at the sole discretion of the Company, in consultation with the Book Running Lead Managers; and (ii) in the event that Equity Shares that we have applied for are not Allotted to us in full or at all, and/or the Application Amount is in excess of the amount equivalent to the product of the Equity Shares that will be Allocated to us and the Issue Price, or the Company is unable to issue and Allot the Equity Shares offered in the Issue, or if we withdraw the Bid before Issue Closing Date, or if there is a cancellation of the Issue, or the listing of the Equity Shares does not occur in the manner described in the PPD, the Placement Document, the SEBI ICDR Regulations and other applicable laws, the Application Amount or a portion thereof, as applicable, will be refunded to the same bank account from which the Application Amount was paid by us. Further, we agree to comply with the rules and regulations that are applicable to us, including in relation to the lock-in and transferability requirements. In this regard, we authorize the Company to issue instructions to the depositories for such lock-in and transferability requirements, as may be applicable to us.

We acknowledge, agree and consent that (i) our names, address, contact details, PAN, bank account details and the number of Equity Shares Allotted, along with other relevant information as may be required, will be recorded by the Company in the format prescribed in terms of the PAS Rules; (ii) in the event that any Equity Shares are Allocated to us in the Issue, we are aware pursuant to the requirements under Form PAS-4 of the PAS Rules that our names (as proposed Allottees) and the percentage of our post-Issue shareholding in the Company will be disclosed in the Placement Document, and we are further aware that disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the Book Running Lead Managers; and; and (iii) in the event that Equity Shares are Allotted to us in the Issue, the Company will place our name in the register of members of the Company as a holder of such Equity Shares that may be Allotted to us and in the Form PAS-3 filed by the Company with the Registrar of Companies, West Bengal at Kolkata (the "**RoC**") as required in terms of the PAS Rules. Further, we are aware and agree that if we, together with any other QIBs belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in the Issue, the Company shall be required to disclose our name, along with the names of such other Allottees and the number of Equity Shares Allotted to us and to such other Allottees, on the websites of the National Stock Exchange of India Limited and BSE Limited (together, the "**Stock Exchanges**"), and we consent to such disclosures. In addition, we confirm that we are eligible to invest in Equity Shares under the SEBI ICDR Regulations, circulars issued by the RBI and other applicable laws.

By signing and/or submitting this Application Form, we hereby confirm and agree that the representations, warranties, acknowledgements and agreements as provided in the sections "*Notice to Investors*", "*Representations by Investors*", "*Issue Procedure*", "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" sections of the PPD and the terms, conditions and agreements mentioned herein are true and correct and acknowledge and agree that these representations and warranties are given by us for the benefit of the Company and the Book Running Lead Managers, each of whom is entitled to rely on, and is relying on, these representations and warranties in consummating the Issue.

By signing and/or submitting this Application Form, we hereby represent, warrant, acknowledge and agree as follows: (1) we have been provided with a serially numbered copy of the PPD along with the Application Form, have read it in its entirety including in particular, the section "*Risk Factors*" therein and we have relied only on the information contained in the PPD and not on any other information obtained by us either from the Company, the Book Running Lead Managers or from any other source, including publicly available information; (2) we will abide by the Preliminary Placement Document and the Placement Document, this Application Form, the confirmation of allocation note ("**CAN**"), when issued, and the terms, conditions and agreements contained therein; (3) that if Equity Shares are Allotted to us pursuant to the Issue, we shall not sell such Equity Shares otherwise than on the floor of a recognised stock exchange in India for a period of one year from the date of Allotment (4) we will not have the right to withdraw our Bid or revise our Bid downwards after the Issue Closing Date; (5) we will not trade in the Equity Shares credited to our beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges; (6) Equity Shares shall be Allocated and Allotted at the sole and absolute discretion of the Company, in consultation with the Book Running Lead Managers, and the submission of this Application Form and payment of the corresponding Application Amount by us does not guarantee any Allocation or Allotment of Equity Shares to us in full or in part; (7) in terms of the requirements of the Companies Act, upon Allocation, the Company will be required to disclose names and percentage of our post-Issue shareholding of the proposed Allottees in the Placement Document; however, disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the Book Running Lead Managers; (8) the number of Equity Shares Allotted to us pursuant to the Issue, together with other Allottees that belong to the same group or are under common control as us, shall not exceed 50% of the Issue and we shall provide all necessary information in this regard to the Company and the Book Running Lead Managers. For the purposes of this representation: The expression 'belong to the same group' shall derive meaning from Regulation 180(2) of the SEBI ICDR Regulations, i.e., entities where (i) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (ii) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (iii) there is a common director, excluding nominee and independent directors, among the Eligible QIBs, its subsidiary or holding company and any other QIB; and 'control' shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the Takeover Regulations; (9) We agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the Preliminary Placement Document and the Placement

By signing and/or submitting this Application Form, we further represent, warrant and agree that we have such knowledge and experience in financial and business matters that we are capable of evaluating the merits and risks of the prospective investment in the Equity Shares and we understand the risks involved in making an investment in the Equity Shares. No action has been taken by us or any of our affiliates or representatives to permit a public offering of the Equity Shares in any jurisdiction. We satisfy any and all relevant suitability standards for investors in Equity Shares, have the ability to bear the economic risk of our investment in the Equity Shares, have adequate means of providing for our current and contingent needs, have no need for liquidity with respect to our investment in Equity Shares and are able to sustain a complete loss of our investment in the Equity Shares. We acknowledge that once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Application Amount has been transferred to the Escrow Account (as detailed below), such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and this Application Form is unsigned, we confirm that we are authorized to submit this Application Form and provide necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible OIB.

We acknowledge that the Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. By signing this Application Form and checking the applicable box above, we hereby represent, warrant, acknowledge and agree that we are located outside the United States and purchasing the Equity Shares in an “offshore transaction” as defined in, and in reliance on, Regulation S and the applicable laws of the jurisdictions where such offers and sales are made.

| BIDDER DETAILS (In Block Letters)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                             |         |  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|---------|--|
| NAME OF BIDDER*                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                             |         |  |
| NATIONALITY                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                             |         |  |
| REGISTERED ADDRESS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                             |         |  |
| CITY AND CODE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                             |         |  |
| COUNTRY                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                             |         |  |
| PHONE NO.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                             | FAX NO. |  |
| MOBILE NO.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                             |         |  |
| EMAIL ID                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                             |         |  |
| FOR ELIGIBLE FPIs**                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | SEBI FPI REGISTRATION NO.   |         |  |
| FOR MF                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | SEBI MF REGISTRATION NO     |         |  |
| FOR AIFs***                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | SEBI AIF REGISTRATION NO.   |         |  |
| FOR VCFs***                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | SEBI VCF REGISTRATION NO.   |         |  |
| FOR SI-NBFC                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | RBI REGISTRATION DETAILS    |         |  |
| FOR INSURANCE COMPANIES                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | IRDAI REGISTRATION DETAILS. |         |  |
| <p><i>*Name should exactly match with the name in which the beneficiary account is held. Application Amount payable on Equity Shares applied for by joint holders shall be paid from the bank account of the person whose name appears first in the application. Mutual Fund Bidders are requested to provide details of the bids made by each scheme of the Mutual Fund. Each Eligible FPI is required to fill a separate Application Form. Further, any discrepancy in the name as mentioned in this Application Form with the depository records would render the application invalid and liable to be rejected at the sole discretion of the Company and the Book Running Lead Managers.</i></p> <p><i>** In case you are an Eligible FPI holding a valid certificate of registration and eligible to invest in the Issue, please mention your SEBI FPI Registration Number.</i></p> <p><i>*** Allotments made to AIFs and VCFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. AIFs and VCFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.</i></p> |                             |         |  |

| NO. OF EQUITY SHARES BID FOR |            | PRICE PER EQUITY SHARE (RUPEES) |            | APPLICATION AMOUNT (RUPEES) |            |
|------------------------------|------------|---------------------------------|------------|-----------------------------|------------|
| (In Figures)                 | (In Words) | (In Figures)                    | (In Words) | (In Figures)                | (In Words) |
|                              |            |                                 |            |                             |            |

[illegible]

|                    |         |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |                                                           |
|--------------------|---------|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|-----------------------------------------------------------|
| Beneficiary Number | Account |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | (16-digit beneficiary account. No. to be mentioned above) |
|--------------------|---------|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|-----------------------------------------------------------|

| PAYMENT DETAILS   REMITTANCE BY WAY OF ELECTRONIC FUND TRANSFER |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|-----------------------------------------------------------------|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| By 01:00 PM (IST), December 13, 2024 (“ISSUE CLOSING DATE”)     |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

| BANK ACCOUNT DETAILS FOR PAYMENT OF BID AMOUNT THROUGH ELECTRONIC FUND TRANSFER |                                        |  |                                   |                                                                                   |
|---------------------------------------------------------------------------------|----------------------------------------|--|-----------------------------------|-----------------------------------------------------------------------------------|
| Name of the Account                                                             | SENCO GOLD LIMITED QIP ESCROW ACCOUNT. |  | Account Type                      | Current Account - Escrow Account                                                  |
| Name of Bank                                                                    | Yes Bank Limited                       |  | Address of the Branch of the Bank | Ground and Mezzanine Floor, Stephen House, Dalhousie Square East, Kolkata- 700001 |
| Account No.                                                                     | 019081000000065                        |  | IFSC                              | YESB0000190                                                                       |
| LEI No.                                                                         | 549300D3BL7586VX0W90                   |  |                                   |                                                                                   |

The demographic details like address, bank account details, etc. will be obtained from the Depositories as per the beneficiary account given above. However, for the purposes of refund, if any, only the bank details as mentioned below, from which the Application Amount has been remitted for the Equity Shares applied for in the Issue will be considered.

The Application Amount should be transferred pursuant to this Application Form only by way of electronic fund transfers, towards the Escrow Account. Payment of the entire Application Amount should be made along with this Application Form on or before the closure of the Issue Period i.e., prior to or on the Issue Closing Date. All payments must be made in favour of “**SENCO GOLD LIMITED QIP ESCROW ACCOUNT**”. The payment for subscription to the Equity Shares to be allotted in the Issue shall be made only from the bank account of the person subscribing to the Equity Shares and in case of joint holders, from the bank account of the person whose name appears first in this Application Form.

**You are responsible for the accuracy of the bank details mentioned below. You are aware that the successful processing of refunds if, any, shall be dependent on the accuracy of the bank details provided by you. The Company and the Book Running Lead Managers shall not be liable in any manner for refunds that are not processed due to incorrect bank details.**

| RUPEE BANK ACCOUNT DETAILS (FOR REMITTANCE) |  |                     |  |
|---------------------------------------------|--|---------------------|--|
| Bank Account Number                         |  | IFSC Code           |  |
| Bank Name                                   |  | Bank Branch Address |  |

| DETAILS OF CONTACT PERSON |  |         |  |
|---------------------------|--|---------|--|
| Name:                     |  |         |  |
| Address:                  |  |         |  |
| Tel. No:                  |  | Fax No: |  |
| Mobile No.                |  | Email   |  |

| OTHER DETAILS                                                                     |  |
|-----------------------------------------------------------------------------------|--|
| PAN                                                                               |  |
| Date of Application                                                               |  |
| LEI Number                                                                        |  |
| Signature of Authorised Signatory (may be signed either physically or digitally)* |  |

| ENCLOSURES ATTACHED                             |                                                                                                            |
|-------------------------------------------------|------------------------------------------------------------------------------------------------------------|
| Attested/ certified true copy of the following: |                                                                                                            |
| <input type="checkbox"/>                        | Copy of PAN Card or PAN allotment letter**                                                                 |
| <input type="checkbox"/>                        | FIRC                                                                                                       |
| <input type="checkbox"/>                        | Copy of the SEBI registration certificate as a Mutual Fund                                                 |
| <input type="checkbox"/>                        | Copy of the SEBI registration certificate as an Eligible FPI                                               |
| <input type="checkbox"/>                        | Copy of the SEBI registration certificate as an AIF                                                        |
| <input type="checkbox"/>                        | Copy of the SEBI registration certificate as a VCF                                                         |
| <input type="checkbox"/>                        | Certified copy of certificate of registration issued by the RBI as an SI-NBFC/ a scheduled commercial bank |
| <input type="checkbox"/>                        | Copy of the IRDA registration certificate                                                                  |
| <input type="checkbox"/>                        | Copy of notification as a public financial institution                                                     |
| <input type="checkbox"/>                        | Certified true copy of the power of attorney                                                               |
| <input type="checkbox"/>                        | Other, please specify _____                                                                                |

\*A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted as soon as practicable.

\*\*It is to be specifically noted that the Bidder should not submit the GIR number or any other identification number instead of the PAN, as the applications are liable to be rejected on this ground, unless the Bidder is exempted from requirement of obtaining a PAN under the Income-tax Act, 1961.

Note:

- Capitalized terms used but not defined herein shall have the same meaning as ascribed to them in the PPD, unless specifically defined herein.
- This Application Form and the PPD sent to you and the Placement Document which will be sent to you in electronic form, are specific to you and you may not distribute or forward the same and are subject to the disclaimers and restrictions contained or accompanying these documents.
- This Application Form is liable to be rejected if any information provided is incomplete or inadequate, at the discretion of the Company in consultation with the Book Running Lead Managers.
- The duly filed Application Form along with all enclosures shall be submitted to the BRLMs either through electronic form at the email mentioned in the PPD or through physical delivery at the address mentioned in PPD.