



RBZ JEWELLERS LIMITED

IPO NOTE

December 2023

ISSUE HIGHLIGHTS

- ❑ **RBZ Jewellers Limited (“RBZ”)** was incorporated on April 15, 2008. RBZ is one of the leading organised manufacturers of gold jewellery in India, specializing in Antique Bridal Gold Jewellery and distribute to reputable nation-wide retailers and significant regional players in India. RBZ holds approximately 1% of total organized wholesale gold jewellery market in India.
- ❑ The company has a history of more than 15 years in the jewellery industry. They design and manufacture a wide range of Antique Bridal Gold Jewellery which consists of jadau, Meena and Kundan work and sell it on a wholesale and retail basis. They also process and supply Antique Bridal Gold Jewellery on job work basis to national retailers.
- ❑ Their customer base in wholesale business includes reputed national, regional and local family jewellers spread across 20 States and 72 cities within India. RBZ also operates its retail showroom under the brand name “**Harit Zaveri**” and is an established player in Ahmedabad.
- ❑ The company is specialising in Antique Gold bridal jewellery and are known for their unique designs and craftsmanship. Their jewellery designs are inspired by traditional Indian art and culture.
- ❑ They also export their jewellery to Middle East region. They carry out their manufacturing operations from a well-equipped and modern facility situated at Ahmedabad, Gujarat having advanced technologies in casting, laser, and 3-D printing.
- ❑ RBZ have a well-equipped and modern gold jewellery manufacturing facility situated at Sarkhej Gandhinagar Highway, Ahmedabad, Gujarat. RBZ owns an area admeasuring 10,417 sq. ft. of their showroom space and area admeasuring 1,250 sq. ft. is occupied on lease basis. The company currently has work force of 189 employees. They also have permitted capacity of 250 artisans for their manufacturing facility.
- ❑ Their diamond jewellery is certified by various agencies including **IGI and GIA**. They also send all their jewellery (except gold jewellery weighing less than 2 grams) to government approved hallmarking centres who analyse and check the jewellery in accordance with **BIS** norms.

BRIEF FINANCIAL DETAILS*

(₹ IN CR)

	As at Sep'30,	As at Mar' 31,		
	2023 (06)	2023 (12)	2022 (12)	2021 (12)
Share Capital	30.00	30.00	4.00	4.00
Reserves	74.57	62.47	66.03	51.55
Net Worth	104.57	92.47	70.03	55.55
Revenue from Operations	125.46	287.93	252.11	106.99
Revenue Growth (%)	-	14.21%	135.61%	-
EBITDA	21.83	39.46	27.19	21.16
EBITDA Margin (%)	17.40%	13.71%	10.79%	19.78%
Profit before Tax	16.24	29.77	19.61	13.38
Net Profit for the period	12.09	22.33	14.41	9.75
Net Profit Margin (%)	9.64%	7.76%	5.71%	9.11%
EPS – Basic & Diluted (₹)	4.03 [^]	7.44	4.80	3.12
RONW (%) as stated	11.57% [^]	24.15%	20.57%	17.55%
Net Asset Value (₹)	34.86	30.82	175.08	133.18

Source: RHP, *Restated Summary, ^ not annualised

Issue Details
Fresh Issue of upto 10,000,000 Equity Shares
Issue summary
Issue size: ₹ 95 – 100 Cr
No. of shares: 10,000,000 Equity Shares
Face value: ₹ 10/-
Price band: ₹ 95 - 100
Bid Lot: 150 Shares and in multiple thereof
Post Issue Implied Market Cap =
₹ 380 – 400 Cr
BRLMs: Arihant Capital Markets
Registrar: Bigshare Services Pvt Ltd
Issue opens on: Tuesday, 19th Dec'2023
Issue closes on: Thursday 21st Dec'2023
Indicative Timetable

Activity	On or about
Finalisation of Basis of Allotment	22-12-2023
Refunds/Unblocking ASBA Fund	26-12-2023
Credit of equity shares to DP A/c	26-12-2023
Trading commences	27-12-2023

Issue break-up

	No. of Shares	₹ In Cr		% of Issue
		@Lower	@Upper	
QIB	3,500,000	33.25	35.00	35%
NIB	3,000,000	28.50	30.00	30%
-NIB 2	2,000,000	19.00	20.00	-
-NIB 1	1,000,000	9.50	10.00	-
RET	3,500,000	33.25	35.00	35%
Total	10,000,000	95.00	100.00	100%

NIB-1=NII Bid between ₹ 2 to 10 Lakhs

NIB-2 =NII Bid Above ₹ 10 Lakhs

Category	Retail Category	NII-Bid between ₹ 2 - 10 Lakhs	NII - Bid Above ₹ 10 Lakhs
Minimum Bid Lot (Shares)	150 Shares	2,100 Shares	10,050 Shares
Minimum Bid Lot Amount (₹)	₹ 15,000 [^]	₹ 2,10,000 [^]	₹10,05,000 [^]
Appl for 1x	23,333 Applications	476 Applications	952 Applications

Listing: BSE & NSE
Shareholding (No. of Shares)

Pre-issue	Post issue
30,000,000	40,000,000

[^]@Lower price Band #@ Upper Price Band

Shareholding (%)

	Pre-Issue	Post-Issue
Promoter	99.98%	74.98%
Promoter Group	0.02%	0.02%
Public - Others	0.00%	25.00%
Total	100.00%	100.00%

BACKGROUND

Company and Directors

The Company was originally incorporated as “*RBZ Jewellers Private Limited*” on April 15, 2008. The Promoters of the company are Rajendrakumar Kantilal Zaveri and Harit Rajendrakumar Zaveri. The Promoter currently holds 2,99,91,825 Equity Shares in the Company, representing 99.98% of the issued, subscribed, and paid-up Equity Share capital of the company.

BOARD OF DIRECTORS

Name	Designation
• Rajendrakumar Kantilal Zaveri	Promoter, Chairman and Managing Director
• Harit Rajendrakumar Zaveri	Promoter and Joint Managing Director
• Jitendra Pratap Singh	Non-Executive Independent Director
• Nirupa Kiran Bhatt	Non-Executive Independent Director
• Dhaval Rajendrabhai Shah	Non-Executive Independent Director
• Pooja Omkar Acharya	Non-Executive Independent Director

OBJECTS OF THE ISSUE

Objects	Amount
• Funding the working capital requirements of the company	80.75
• General Corporate Purposes	[•]
Total	[•]

(₹ Cr)

BUSINESS OVERVIEW

RBZ Jeweller Limited (“**RBZ**”) is one of the leading organised manufacturers of gold jewellery in India, specializing in Antique Bridal Gold Jewellery and distribute to reputable nation-wide retailers and significant regional players in India. RBZ holds approximately 1% of total organized wholesale gold jewellery market in India. They have a history of more than 15 years in the jewellery industry. They design and manufacture a wide range of Antique Bridal Gold Jewellery which consists of jadau, Meena and Kundan work and sell it on a wholesale and retail basis. They also process and supply Antique Bridal Gold Jewellery on job work basis to national retailers. Their customer base in wholesale business includes reputed national, regional and local family jewellers spread across 20 States and 72 cities within India. RBZ also operates its retail showroom under the brand name “**Harit Zaveri**” and is an established player in Ahmedabad. RBZ offers jewellery for bridal, occasional and daily wear at various price range in their retail showroom. They also export their jewellery to Middle East region. They carry out their manufacturing operations from a well-equipped and modern facility situated at Ahmedabad, Gujarat having advanced technologies in casting, laser and 3-D printing. Their retail showroom is situated in the prominent area of Ahmedabad, Gujarat.

History: The Promoters of the company belong to a family of jewellers who have been involved in the same business over decades. Shri Bababhai Hargovandas Zaveri, a renowned goldsmith from Patan, Gujarat, laid the foundation of their family gold business several decades ago. Company’s promoter, Rajendrakumar Kantilal Zaveri, was part of the family partnership arrangement since 1992. Later on, he started jewellery business through a sole proprietorship titled ‘M/s. Rajubhai Bababhai Zaveri’ in the year 2004. In the year 2006, the other Promoter Harit Rajendrakumar Zaveri joined the business at the age of 17 years. In order to carry on the business in a corporate form, the company was incorporated as a private limited Company in the year 2008 under the name of ‘RBZ Jewellers Private Limited’ with Rajendrakumar Kantilal Zaveri, Kiranben Rajendrakumar Zaveri and Harit Rajendrakumar Zaveri as its founding members.

Infrastructure and team: RBZ have a well-equipped and modern gold jewellery manufacturing facility situated at Sarkhej Gandhinagar Highway, Ahmedabad, Gujarat. The manufacturing facility has an area admeasuring 23,966 sq. ft and is owned by them. Their retail showroom spread over 11,667 sq. ft. is situated in Satellite area, Ahmedabad, Gujarat in the vicinity where other large retailers have their presence. RBZ owns an area admeasuring 10,417 sq. ft. of their showroom space and area admeasuring 1,250 sq. ft. is occupied on lease basis.

The company currently has work force of 189 employees. They also have permitted capacity of 250 artisans for their manufacturing facility. In order to cater to the ever-increasing demand in the market, they outsource the work as per the requirement of the Company. They have achieved an overall volume growth of 12.44% in Fiscal 2023 compared with Fiscal 2022.

Products: RBZ offers a diverse range of jewellery collections comprising of different manufacturing techniques and varieties. They specialise in Antique Gold bridal jewellery and are known for their unique designs and craftsmanship. Their jewellery

designs are inspired by traditional Indian art and culture. Their ability to recognize consumer preferences and market trends, the unique designs and the quality of their products are their key strengths, amongst others. Their diamond jewellery is certified by various agencies including IGI and GIA. They also send all their jewellery (except gold jewellery weighing less than 2 grams)

to government approved hallmarking centres who analyse and check the jewellery in accordance with BIS norms.

Manufacturing capabilities: The company has developed a manufacturing process wherein they adopt emerging jewellery making techniques, latest technology and blend it with traditional methods, to bring out the uniqueness of their designs. Their success can be credited to their meticulous attention to sourcing quality material and employing highly skilled artisans and craftsmen while leveraging cutting-edge technology in manufacturing process to enhance their productivity and output.

Foray into retail: RBZ's retail business was established in the year 2014 in the name of "Harit Zaveri Jewellers" under the brand name of "Harit Zaveri", with the aim of bringing transparency and ethical practices in maintaining and offering the finest quality and the right price to its customers in the retail market. Their retail division offers various categories of gold, diamond and Polki jewellery, containing various types of bangles, rings, bracelets, necklaces, and jewellery sets, which cater to bridal, occasional and daily wear.

Marketing and promotion: RBZ endeavour to establish a strong brand name in the Indian jewellery Industry that their customers associate with trust, transparency, and innovation. The key marketing channels that they adopt on an ongoing basis are celebrity engagements, venture with reputed magazines who in turn collaborate with celebrities and influencers, awareness campaigns in societies, Pan India sales tours, and advertisements in newspaper, radio shows, billboards including digital media. In addition to the above marketing channels, they regularly participate in national, regional, and local jewellery exhibitions. In 6 months, period ended on September 30, 2023, and Fiscal 2023, they had participated in 7 and 17 exhibitions respectively.

Board of Directors: RBZ is supported by an experienced board of directors with diversified expertise which actively contributes to and participates in company's strategies. Their Board consists of 4 Non-Executive Independent Directors who are knowledgeable personalities from various fields such as gems and jewellery, banking, finance and legal.

KEY PERFORMANCE INDICATORS

Particulars	CAGR (%)	6 months period ended on Sep'30, 2023	For the Fiscal Year ended on March 31		
			FY2022-23	FY2021-22	FY2020-21
Quantity sold and processed (Kg.)	30.32%	566.46	1058.06	940.99	622.96
Revenue from Operations (₹ in Cr)	64.05%	125.46	287.93	252.11	106.99
EBITDA (₹ in Cr)	36.56%	21.83	39.46	27.19	21.16
EBITDA Margin (%)	-	17.40%	13.71%	10.79%	19.78%
PAT (₹ in Cr)	51.36%	12.09	22.33	14.41	9.75
PAT Margin (%)	-	9.64%	7.76%	5.71%	9.11%
RoE (%)	-	12.28%	27.49%	22.94%	19.11%
RoCE (%)	-	10.17%*	20.08%	19.06%	16.82%

* not annualised

REVENUE FROM OPERATIONS

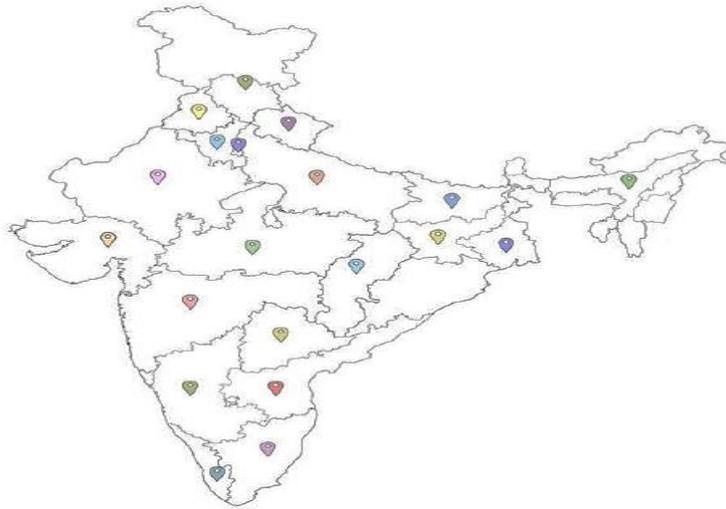
Products	6 months ended Sep' 30, 2023			Fiscal 2023			Fiscal 2022			Fiscal 2021		
	Qty (Kgs)	Amt (₹ Cr)	%	Qty (Kgs)	Amt (₹ Cr)	%	Qty (Kgs)	Amt (₹ Cr)	%	Qty (Kgs)	Amt (₹ Cr)	%
Gold jewellery and job-work income of net gold processed	566.46	110.73	88.26	1,058.06	253.25	87.96	940.99	227.91	90.40	622.96	94.52	88.35
- Wholesale	88.74	54.33	43.31	255.03	138.08	47.96	321.91	156.65	62.14	134.48	67.27	62.87
- Retail	80.99	51.78	41.28	188.05	106.03	36.83	130.25	66.80	26.50	47.38	24.82	23.20
- Job-work services	396.73	4.61	3.67	614.98	9.14	3.17	488.83	4.46	1.77	441.10	2.43	2.27
Other sales majorly include diamond, precious and semi-precious stone	5.04	4.72	3.76	33.44	15.08	5.24	12.31	10.77	4.27	1.45	2.06	1.93
Sale of bullion (bars and coins of gold and silver)	18.57	10.01	7.98	46.20	19.60	6.81	1,051.80	13.43	5.33	30.40	10.41	9.73
Total	590.08	125.46	100.00	1,137.70	287.93	100.00	2,005.10	252.11	100.00	654.81	106.99	100.00

Geographical Reach

Geographical representation of the customer base in India:

One of the key strengths of the company in the jewellery business is their wide reach and presence across India.

With a customer base in 20 states and 72 cities, they have established a strong foothold in the market and have a deep understanding of the local customer preferences and trends.



PUNJAB Amritsar Chandigarh Jalandhar Kapurthala Ludhiana Mohali Patiala Phagwara	GUJARAT Ahmedabad Anand Jamnagar Keshavnagar Kutch Navsari Rajkot Surat Vadodra Vallabhd	RAJASTHAN Bikaner Jaipur Udaipur	MADHYA PRADESH Bhopal Indore Jabalpur Raipur Gwalior	MAHARASHTRA Baranasi Mumbai Nagpur Pune Solapur	KERALA Ernakulam Kozhikode Thrissur Thiruvananthapuram Thiruvananthapuram
DELHI Delhi	HARYANA Ambala Bhiwani Gurgaon Panipat	UTTAR PRADESH Agra Bareilly Lucknow Meerut Moradabad	CHHATTISGARH Raipur	ANDHRA PRADESH Vijayawada	TAMILNADU Chennai Coimbatore Erode Salem Tiruchirappalli Tirupur Tutukudi Karur
HIMACHAL PRADESH Shimla Solan	WEST BENGAL Kolkata	KARNATAKA Bangalore Hosur Mysore Mangalore	TELANGANA Hyderabad		

CLIENT BASE

National Retailers	Prominent Retailers	Prestigious Family Retailers
Titan Company Ltd, Malabar Gold Pvt Ltd, Joyalukkas India Ltd, Senco Gold Ltd	Kalamandir Jewellers Ltd, PN Gadgil Jewellers Pvt Ltd	Hazooril Jewellers Pvt Ltd, Om Jewellers Pvt Ltd, C. Krishniah Chetty Jewellers, Vummidi Bangaru Jewellers CH Jewellers Pvt Ltd

These clientele have further enhanced their credibility and reputation in the industry. They also export to the Middle East region. The client mix and geographical spread help them in understanding customer preferences across the regions, cultures and socioeconomic strata which is one of their key strengths to roll out designs as per the emerging trend.

COMPANY PRODUCTS

Antique bridal jewellery



Polki Jewellery



Diamond Jewellery



Silver Jewellery



MANUFACTURING

Company's products are manufactured through in-house job workers as well as network of artisans, who work as their third-party manufacturers to manufacture their products. Majority of jewellery is manufactured in-house and some portion is outsourced to third party manufacturers.

The details of the manufacturing facilities and the capacity:

Details of Capacity (in Kilograms)											
September 30, 2023			Fiscal 2022-23			Fiscal 2021-22			Fiscal 2020-21		
Installed capacity	Actual production	%*	Installed capacity	Actual production	%	Installed capacity	Actual production	%	Installed capacity	Actual production	%
Annualised-2,040	573.92	56.27%	1716	807.45	47.05%	1296	808.17	62.36%	1260	568.52	45.12%
6 Months-1,020											

* The capacity utilization for the 6 month period ended September 30, 2023 as disclosed above means the actual production in this period as a percentage of the installed manufacturing capacity for the 6 month period.

KEY STRENGTH

- Organised manufacturing setup under one roof;
- Client Mix and geographical spread;
- Design and Innovation in the product range
- Brand built on the core values of trust, transparency and innovation;
- Established systems and procedure to mitigate risk;
- Experienced Promoters with young leadership and a demonstrated track record supported by a highly experienced and accomplished senior management team and board of directors;

KEY GROWTH STRATEGIES

- Deepen and penetrate the existing customer relationships and continue to expand geographically;
- Increase the production and enhance product portfolio
- Continue to invest in the marketing and brand building initiatives;
- Strengthen the Inventory Management practices;
- Leverage technology to grow.

COMPARISON WITH LISTED INDUSTRY PEERS (AS ON 31ST MARCH 2023)

Name of the Company	Consolidated / Standalone	Face Value	Total Income for FY2023 (₹ in Cr)	EPS		NAV	P/E	RoNW (%)
				Basic	Diluted			
RBZ Jewellers Ltd	Consolidated	10	289.63	7.44	7.44	30.82	[•]	24.15%
Kalyan Jewellers Ltd	Consolidated	10	14,109.34	4.20	4.20	35.28	78.33	11.88%
Senco Gold Ltd*	Consolidated	10	4,108.54	22.93	22.87	156.51	32.50	13.04%
Thangamayil Jewellery Ltd	Consolidated	10	3,155.90	58.13	58.13	283.38	24.78	20.50%
D P Abhushan Ltd	Consolidated	10	1,975.35	20.33	20.33	81.36	28.46	25.02%
Titan Company Ltd	Consolidated	1	40,883.00	36.61	36.61	134.09	93.06	27.50%
Ashapuri Gold Ornament Ltd	Consolidated	10	158.14	0.71	0.71	33.01	14.96	2.16%
Sky Gold Ltd	Consolidated	10	1,154.76	17.32	17.32	91.34	49.46	18.96%

Source: RHP; P/E Ratio has been computed based on the closing market price of equity shares on NSE / BSE as on November 23, 2023; * Considering the listing of Senco Gold Ltd after March 31, 2023, relevant ratios have been taken on the basis of post issue capital.

AXIS CAPITAL LIMITED

Axis House, 1st Floor, Level-1, C-Wing, C-2, Wadia International Center, Pandurang Budhkar Marg, Worli, Mumbai 400 025.
Tel: +91 22 4325 2525; Fax: +91 22 4325 3000

www.axiscapital.co.in

This document has been prepared by Axis Capital Limited. Affiliates of Axis Capital Limited may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating and target price of the Affiliates research report.

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent.

This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient.

Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options and other derivatives as well as non-investment grade securities - involve substantial risk and are not suitable for all investors.

Axis Capital Limited has not independently verified all the information given in this document. Accordingly, no representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document.

The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval.

Axis Capital Limited, its affiliates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document.

This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of Axis Capital Limited. The views expressed are those of the analyst and the Company may or may not subscribe to all the views expressed therein.

This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. Neither this document nor any copy of it may be taken or transmitted into the United State (to U.S. Persons), Canada, or Japan or distributed, directly or indirectly, in the United States or Canada or distributed or redistributed in Japan or to any resident thereof.

This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject Axis Capital Limited to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.

Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information.

Copyright in this document vests exclusively with Axis Capital Limited