

<b>ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER FOR THE ELIGIBLE EQUITY SHAREHOLDERS OF THE COMPANY ONLY</b>
This is an Abridged Letter of Offer containing salient features of the Letter of Offer dated September 10 <sup>th</sup> , 2022 (“Letter of Offer”) which is available on the websites of our Company, the Registrar and the Stock Exchanges. You are encouraged to read greater details available in the Letter of Offer. Capitalized terms not specifically defined herein shall have the meaning ascribed to them in the Letter of Offer
<b>THIS ABRIDGED LETTER OF OFFER CONTAINS 12 PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES</b>
Our Company has made available on the Registrar’s website i.e., <a href="https://rights.kfintech.com">https://rights.kfintech.com</a> , the Letter of Offer, Abridged Letter of Offer along with the Rights Entitlement and Application Form to the Eligible Equity Shareholders. You may also download the Letter of Offer from the websites of the Company, the stock exchange where the Equity Shares of our Company are listed, i.e., BSE Limited (“BSE”) and the Registrar, i.e., at <a href="http://www.gautamgems.com">www.gautamgems.com</a> , <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="https://rights.kfintech.com">https://rights.kfintech.com</a> respectively. The Application Form is available on the respective websites of the Stock Exchange and the Registrar.



## GAUTAM GEMS LIMITED

**Corporate Identification Number:** L36911GJ2014PLC078802

**Registered Office:** 3rd Floor, Office – 301, Sumukh, Super Compound, Vasta Devadi Road, Katargam, Surat 395004,  
Gujarat, India;

**Tel. No.:** +91 261 2538046; **Email:** [compliancegg@gmail.com](mailto:compliancegg@gmail.com); **Website:** [www.gautamgems.com](http://www.gautamgems.com);

**Contact Person:** Mr. Anilbhai Keshubhai Modhavadiya, Company Secretary & Compliance Officer

<b>ISSUE DETAILS</b>			
ISSUE OF UP TO 4,02,68,236 (FOUR CRORES TWO LAKHS SIXTY EIGHT THOUSAND TWO HUNDRED AND THIRTY-SIX) EQUITY SHARES WITH A FACE VALUE OF ₹10 EACH (“RIGHTS EQUITY SHARES”) OF OUR COMPANY FOR CASH AT A PRICE OF ₹11/- (RUPEES ELEVEN ONLY) EACH INCLUDING A SHARE PREMIUM OF ₹1/- (RUPEE ONE ONLY) PER RIGHTS EQUITY SHARE (“ISSUE PRICE”) FOR AN AGGREGATE AMOUNT UP TO ₹44,29,50,596 (FORTY FOUR CRORES TWENTY NINE LAKHS FIFTY THOUSAND FIVE HUNDRED AND NINETY SIX ONLY) ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 4 (FOUR) RIGHTS EQUITY SHARES FOR EVERY 1 (ONE) FULLY PAID-UP EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON THURSDAY 01 <sup>ST</sup> SEPTEMBER, 2022 (THE “ISSUE”). THE ISSUE PRICE FOR THE RIGHTS EQUITY SHARES IS 1.1 TIMES THE FACE VALUE OF THE EQUITY SHARES.			
<b>PAYMENT METHOD FOR THE ISSUE</b>			
<b>AMOUNT PAYABLE PER RIGHT SHARE</b>	<b>FACE VALUE</b>	<b>PREMIUM</b>	<b>TOTAL</b>
On Application	2.5	0.25	2.75
One or more subsequent call(s) as determined by our Board at its sole discretion, from time to time	7.50	0.75	8.25
<b>Total</b>	<b>10</b>	<b>1</b>	<b>11</b>
The existing Equity Shares of our Company are listed on the BSE Limited (“BSE”) the (“Stock Exchange”). Our Company has received “in-principle” approvals from BSE for listing the Rights Equity Shares through their letter dated September 9, 2022. For the purposes of the Issue, the Designated Stock Exchange is BSE.			
<b>Procedure:</b> If you wish to know about processes and procedures applicable to rights issue, you may refer to the section titled “ <i>Terms of the Issue</i> ” on page 159 of the Letter of Offer. You may download a copy of the Letter of Offer from the websites of the Company, BSE and Registrar as stated above.			
<b>ELIGIBILITY FOR THE PRESENT RIGHTS ISSUE</b>			
Our Company is eligible to offer Rights Equity Shares pursuant to the Issue in terms of Chapter III and other applicable provisions of the SEBI ICDR Regulations. Pursuant to Clause 2 of Part B of Schedule VI to the SEBI ICDR Regulations, our Company is required to make disclosures in accordance with Part B-1 of Schedule VI to the SEBI ICDR Regulations.			

### INDICATIVE TIMELINES

**The below mentioned timelines are indicative and does not constitute any obligation on our Company and the Lead Manager:**

ISSUE OPENING DATE	15 <sup>th</sup> September, 2022 (Thursday)	DATE OF ALLOTMENT (ON OR ABOUT)	12 <sup>th</sup> October, 2022 (Wednesday)
LAST DATE FOR ON MARKET RENUNCIATION OF RIGHTS ENTITLEMENTS#	26 <sup>th</sup> September, 2022 (Monday)	DATE OF CREDIT (ON OR ABOUT)	14 <sup>th</sup> October, 2022 (Friday)
ISSUE CLOSING DATE*	30 <sup>th</sup> September, 2022 (Friday)	DATE OF LISTING (ON OR ABOUT)	17 <sup>th</sup> October, 2022 (Monday)
FINALISATION OF BASIS OF ALLOTMENT (ON OR ABOUT)	11 <sup>th</sup> October, 2022 (Tuesday)	DATE OF TRADING (ON OR ABOUT)	17 <sup>th</sup> October, 2022 (Monday)

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

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

**NOTICE TO INVESTORS**

In accordance with the SEBI ICDR Regulations, the SEBI Relaxation Circulars, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

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

**GENERAL RISKS**

Investment in equity and equity related securities involve a degree of risk and Investors should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For making an investment decision, Investors must rely on their own examination of our Company and the Issue including the risks involved. The Rights Equity Shares have neither been recommended nor approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of this Letter of Offer. Specific attention of the Investors is invited to the section “Risk Factors” on page 21 before making an investment in the Issue.

<b>Name of Registrar to the Issue and contact details</b>	<p><b>: KFIN TECHNOLOGIES LIMITED</b>          : Karvy Selenium Tower B, Plot 31-32, Gachibowli,          Financial District, Nanakramguda, Serilingampally,          Hyderabad, Rangareddi -500 032, Telangana, India          : +91 40 6716 2222/ 1-800-309-4001          : 1800-309-4001          : <a href="mailto:gautamgems.rights@kfintech.com">gautamgems.rights@kfintech.com</a>          : <a href="mailto:inward.ris@kfintech.com">inward.ris@kfintech.com</a>          : Mr. M Murali Krishna          : <a href="http://www.kfintech.com">www.kfintech.com</a>          : INR000000221</p>
<b>Name of Statutory Auditors</b>	<b>M/s. Bhagat &amp; Co, Chartered Accountants</b> Ahmedabad
<b>Self-Certified Syndicate Banks (“SCSBs”)</b>	The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised Fpi=yes&amp;intmId=34">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised Fpi=yes&amp;intmId=34</a> and updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, please refer to the above-mentioned link.
<b>Banker(s) to the Issue</b>	<b>Axis Bank Limited</b> Vejalpur Branch, G-02 SAAMAN II, Opp. Reliance Petrol Pump, 100 ft. Road, Prahalad nagar Road, Vejalpur, Ahmedabad- 380051. <b>Tel. :</b> 079-61904314 (M) 8980800581 and (M) 9825609031 <b>Email Id:</b> vejalpur.branchhead@axisbank.com <b>Website:</b> www.axisbank.com <b>SEBI Registration No:</b> INBI00000017 <b>Contact Person:</b> Heta Shah (Branch Manager) and Sagar Vaidya (Manager)

**1. SUMMARY OF BUSINESS**

Our company has been principally incorporated as Manufacturer and Trader of rough and polished diamonds. Our registered and corporate office is located in Surat, which is the diamond hub of India. We sell diamonds of multiple category, shape, cut, size and colour. The range of diamonds we manufacture and trade in purely depends on the demand and supply of diamonds in the local markets. Primarily, Round Brilliant and All Fancy shape, 0.18 cts upto 15.00 cts Size and D to N colour with all type of Fancy colour kind of diamonds is demanded by our customers. Since our business is strongly driven by customer demand, we maintain a high/low stock with at our office or factory.

In order to compete in the diamond market, we have created and maintained an independent sales and distribution network for our products within the Domestic markets. Further to ensure customer satisfaction, quality supply of diamonds, timely delivery of orders and purchase-sale of authentic diamonds, we deal with our suppliers and customers on mutually agreed terms. Further, we have developed and maintained long-term and stable relationships with our key suppliers and our key customers although we have not entered into any formal contracts with either of them.

Our promoters, Mr. Gautam P. Sheth and Nidhi G. Sheth have 18 years and 10 years of experience in diamond business, respectively.

## 2. OBJECTS OF THE ISSUE

Our Company intends to utilize the proceeds of the Issue, after deducting Issue related expenses (“Net Proceeds”) towards the following objects:

1. Repayment of Unsecured Loans availed from the Promoters
2. To meet Working Capital requirement of the Company; and
3. General corporate purposes

(Collectively, referred to herein as the “Objects”).

The main objects clause of our Memorandum of Association and the objects incidental and ancillary to the main objects enables us to undertake the activities for which funds are being raised in the Issue. The existing activities of our Company are within the objects clause of our Memorandum of Association.

Our Company intends to utilize the Net Proceeds raised through the Issue towards the following objects:

	(Rs. In Lakhs)
Particulars	Amount
To meet Working Capital requirement of the Company.	3834.51
Repayment of the whole or a portion of the unsecured loan taken from our Promoters	475.00
General corporate purposes	50.00
Issue related expenses	70.00
<b>Total Issue Proceeds</b>	<b>4429.51</b>

## 3. NAME OF MONITORING AGENCY: Not Applicable

## 4. EQUITY SHAREHOLDING PATTERN (AS ON JUNE 30, 2022):

Category of shareholder	No. of shareholders	No. of fully paid up equity shares held	Total no. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	No. of equity shares held in dematerialized form
(A) Promoter & Promoter Group	4	21,55,331	21,55,331	21.41	21,55,331	21.41	21,55,331
(B) Public	9,414	79,11,728	79,11,728	78.59	79,11,728	78.59	79,11,728
(C1) Shares underlying DRs				0.00		0.00	
(C2) Shares held by Employee Trust				0.00		0.00	
(C) Non Promoter- Non Public				0.00		0.00	
<b>Grand Total</b>	<b>9,418</b>	<b>1,00,67,059</b>	<b>1,00,67,059</b>	<b>100.00</b>	<b>1,00,67,059</b>	<b>100.00</b>	<b>1,00,67,059</b>

**Shareholding Pattern of our Company as per the last filing with the Stock Exchanges in compliance with the provisions of the SEBI Listing Regulations:**

- i. The details of the shareholding pattern of our Company as on June 30, 2022 can be accessed on the website of BSE at: <https://www.bseindia.com/stock-share-price/gautam-gems-ltd/ggfrese/530557/shareholding-pattern/>
- ii. Statement showing holding of the Equity Shares of the Promoters and Promoter Group including details of lock-in, pledge of and encumbrance thereon, as on June 30, 2022 can be accessed on the website of BSE at : <https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=530557&qtrid=113.00&QtrName=March%202022>
- iii. Statement showing holding of the Equity Shares of persons belonging to the category “Public” including shareholders holding more than 1% of the total number of the Equity Shares as on June 30, 2022 can be accessed on the website of BSE at <https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=530557&qtrid=113.00&QtrName=March%202022>
- iv. Statement showing shareholding pattern of the Non-Promoter-Non Public shareholder of our Company as on June 30, 2022 can be accessed on the website of BSE at <https://www.bseindia.com/corporates/shpNonProPublic.aspx?scripcd=530557&qtrid=113.00&QtrName=March%202022>

**5. BOARD OF DIRECTORS**

Name and Designation	Other Directorships as on the date of the Letter of Offer
<b>Gautam Sheth</b> Managing Director	<ul style="list-style-type: none"> <li>Ardi Investment And Trading Co Limited</li> <li>PPA Jewellers Private Limited</li> </ul>
<b>Nidhi Sheth</b> Whole-time Director	<ul style="list-style-type: none"> <li>PPA Jewellers Private Limited</li> </ul>
<b>Kanchanben Sheth</b> Executive Director	<ul style="list-style-type: none"> <li>Nil</li> </ul>
<b>Prakash Mehta</b> Non-executive Independent Director	<ul style="list-style-type: none"> <li>Nil</li> </ul>
<b>Pravin Parekh</b> Non-Executive Director	<ul style="list-style-type: none"> <li>Nil</li> </ul>
<b>Umesh Gor</b> Additional Independent Director	<ul style="list-style-type: none"> <li>Elegant Floriculture &amp; Agrotech (India) Limited</li> <li>Encode Packaging India Limited</li> </ul>
<b>Harshit Vadecha</b> Non-executive Independent Director	<ul style="list-style-type: none"> <li>Nil</li> </ul>

**6. Neither our Company nor our Promoters or our Directors have been or are identified as Wilful Defaulter or a fraudulent borrower**

**7. Financial Statement Summary**

A summary of the consolidated financial information of our Company for Financial Year 2021-22 and for the Financial Year 2020-21 is set out below:

Particulars	(Rs. In Lakhs)	
	Audited as at 31/03/2022	Audited as at 31/03/2021
Total income from operations (net)	18020.16	9381.79
Net profit / (loss) before tax and extraordinary items	73.14	41.37
Profit / (loss) after tax and extraordinary items	52.08	34.08
Equity Share Capital	1006.71	1006.71
Reserves and Surplus	423.57	383.39
Net worth	1430.28	1390.10
Basic earnings per share (Rs.)	0.52	0.34
Diluted earnings per share (Rs.)	0.52	0.34
Net asset value per share (Rs.)	14.21	13.81
Return on net worth (%)	3.64%	2.45%

**8. INTERNAL RISK FACTORS**

An investment in equity shares involves a high degree of risk. Prospective Investors should carefully consider all the information disclosed in the Letter of Offer, including the risks and uncertainties described on page 21, before making an investment in the Equity Shares. The risks described below are not the only risks relevant to us or the Equity Shares or the industries in which we currently operate. Additional risks and uncertainties, not presently known to us or that we currently

deem immaterial may also impair our business, cash flows, prospects, results of operations and financial condition. In order to obtain a complete understanding about us, investors should read this section in conjunction with “Our Business”, “**Industry Overview**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” on pages 60 and 137 respectively, as well as the other financial information included in the Letter of Offer. If any of the risks described below, or other risks that are not currently known or are currently deemed immaterial actually occur, our business, cash flows, prospects, results of operations and financial condition could be adversely affected, the trading price of the Equity Shares could decline, and investors may lose all or part of the value of their investment. The financial and other related implications of the risk factors, wherever quantifiable, have been disclosed in the risk factors mentioned below.

However, there are certain risk factors where the financial impact is not quantifiable and, therefore, cannot be disclosed in such risk factors. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in this Issue. The following factors have been considered for determining the materiality: (1) some events may not be material individually but may be found material collectively; (2) some events may have material impact qualitatively instead of quantitatively; and (3) some events may not be material at present but may have material impact in future.

The Letter of Offer also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in the Letter of Offer. Any potential investor in, and purchaser of, the Equity Shares should pay particular attention to the fact that our Company is an Indian company and is subject to a legal and regulatory environment which, in some respects, may be different from that which prevails in other countries. For further information, see “**Forward Looking Statements**” on page 17 of the Letter of Offer.

Unless otherwise indicated or the context requires otherwise, the financial information included herein is based on our Audited Financial Statements included in the Letter of Offer. For further information, see “Financial Statements” on page 89. In this section, unless the context otherwise requires, a reference to “our Company” is a reference to Gautam Gems Limited on a standalone basis, while any reference to “we”, “us”, is a reference to Gautam Gems Limited on a consolidated basis.

For further details, see the section “**Risk Factors**” on page 21 of the Letter of Offer.

## 9. SUMMARY OF OUTSTANDING LITIGATIONS

There are certain outstanding proceedings against our Promoters which may adversely affect our business, financial condition and results of operations.

As on the date of the Letter of Offer, our Promoters are involved in certain legal proceedings. There are various outstanding legal proceedings against our Promoters which is pending at various levels of adjudication before various courts, tribunals and authorities in India. In addition, our Company is also subject to risks of litigation including public interest litigation, contract, employment related, personal injury and property damage.

We cannot provide any assurance that these legal proceedings will be decided in our favour. Any adverse decision may have a significant effect on our business including the financial condition of our Company. There can be no assurance that the results of such legal proceedings will not materially harm our business, reputation or standing in the marketplace or that we will be able to recover any losses incurred on account of third parties, regardless of whether we are at fault. Even if we are successful in defending such cases, we may be subject to legal and other costs incurred pursuant to defending such litigation. There can be no assurance that losses relating to litigation will be covered by insurance or that any such losses would not have a material adverse effect on the results of our operations or financial condition. A summary of the outstanding proceedings and other material litigations as disclosed in this Abridged Letter of Offer, to the extent quantifiable, have been set out below:

Nature of case	Cases filed by		Cases filed Against	
	No. of Cases	Amount involved	No. of Cases	Amount involved
<b>Litigation involving our Company</b>				
Criminal cases	-	-	-	-
Civil cases	-	-	-	-
Tax Proceedings	-	-	-	-
<b>Litigation involving our Promoters</b>				
Criminal cases	-	-	10	25.00 Lakhs
Civil cases	-	-	-	-
Tax Proceedings	-	-	-	-
<b>Litigation involving our Group Companies</b>				
Criminal cases	-	-	-	-
Civil cases	-	-	-	-
Tax Proceedings	-	-	-	-

SEBI Proceedings Pending With Regards To Our Company & Promoters	-	-	-	-
Proceedings initiated against our company for Economic Offences	-	-	-	-
Outstanding dues to small scale undertakings or any other creditors	-	-	-	-

The table above does not include those penalties, interests and costs, if any, which may be imposed or which may have been pleaded but not quantified in the course of legal proceedings, or which the Court / Tribunal otherwise has the discretion to impose. The imposition and amount of such penalties / interests / costs are at the discretion of the court / tribunal where the case is pending. Such liability, if any, would crystallize only on the order of the tribunal where the case(s) is / are pending.

For further details, please refer to section titled “Outstanding Litigation and Defaults” beginning on page no. 146 of the Letter of Offer.

#### **LEGAL NOTICES RECEIVED BY OUR COMPANY, OUR PROMOTERS AND OUR DIRECTORS**

There are no legal notices received by Our Company, Our Promoters, Our Group Companies, and Our Directors as on the date of filing the Letter of Offer.

#### **DISCIPLINARY ACTION INCLUDING PENALTY IMPOSED BY SEBI OR STOCK EXCHANGES AGAINST THE COMPANY IN THE LAST FIVE FINANCIAL YEARS INCLUDING OUTSTANDING ACTION**

As on the date of the Letter of Offer, except as stated above, there have been no disciplinary action including penalty imposed by SEBI or RBI or Stock Exchanges against our Company and Promoters in the last five financial years including outstanding action.

#### **10. TERMS OF THE ISSUE**

In accordance with the SEBI ICDR Regulations, the SEBI Relaxation Circulars, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

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

#### **Procedure for Application**

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

*The Application Form can be used by the Eligible Equity Shareholders as well as the Renouncees, to make Applications in this Issue basis the Rights Entitlement credited in their respective demat accounts or demat suspense escrow account, as applicable. For further details on the Rights Entitlements and demat suspense escrow account, see “Terms of the Issue - Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders” beginning on page 159 of the Letter of Offer.*

Please note that one single Application Form shall be used by Shareholders to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form as on Record Date and applying in this Issue, as applicable. In case of Shareholders who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Shareholders will have to apply for the Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Shareholders are required to submit a separate Application Form for each demat account.

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

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

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

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, the Eligible Equity Shareholders may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI ICDR Regulations are specified in the plain paper application and that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see “- Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process” on page 163 of the Letter of Offer.

#### ***Making of an Application through the ASBA process***

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

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

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

#### **• Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process**

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

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

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

- i. Name of our Company, being Gautam Gems Limited;
- ii. Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
- iii. Folio Number (in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) / DP and Client ID;
- iv. Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Equity Shares applied for pursuant to this Issue
- v. Number of Equity Shares held as on Record Date;
- vi. Allotment option – only dematerialised form;

- vii. Number of Equity Shares entitled to;
- viii. Number of Equity Shares applied for within the Rights Entitlements;
- ix. Number of additional Equity Shares applied for, if any (applicable only if entire Rights Entitlements have been applied for);
- x. Total number of Equity Shares applied for;
- xi. Total amount paid per Equity Share;
- xii. Details of the ASBA Account such as the SCSB account number, name, address and branch of the relevant SCSB;
- xiii. In case of non-resident Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO account such as the account number, name, address and branch of the SCSB with which the account is maintained;
- xiv. Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
- xv. Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB); and
- xvi. All such Eligible Equity Shareholders are deemed to have accepted the following:

*“I/ We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for Shareholders in investments of the type subscribed for herein imposed by the jurisdiction of our residence.*

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

*I/ We (i) am/ are, and the person, if any, for whose account I/ we am/ are acquiring such Rights Entitlement and/ or the Rights Equity Shares is/ are, outside the U.S., (ii) am/ are not a “U.S. Person” as defined in (“Regulation S”), and (iii) is/ are acquiring the Rights Entitlement and/ or the Rights Equity Shares in an offshore transaction meeting the requirements of Regulations.*

*I/ We acknowledge that the Company, its affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements.”*

In cases where Multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, as applicable, including cases where a Shareholders submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Shareholders are requested to strictly adhere to these instructions. Failure to do so could result in an application being rejected, with our Company and the Registrar not having any liability to the Shareholders. The plain paper Application format will be available on the website of the Registrar at <https://rights.kfintech.com>.

Our Company and the Registrar shall not be responsible if the Applications are not uploaded by the SCSB or funds are not blocked in the Shareholders’ ASBA Accounts on or before the Issue Closing Date.

#### **Rights Entitlements Ratio**

The Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of 4:1 (4 Right Equity Shares for every 1 Equity Shares held as on the Record Date).

#### **Fractional Entitlements**

The Rights Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of 4 Rights Equity Shares for every 1 Equity Shares held as on the Record Date. As per SEBI Rights Issue Circular, the fractional entitlements are to be ignored. Accordingly, if the shareholding of any of the Eligible Equity Shareholders is less than 1 Equity Shares or is not in the multiple of 1 Equity Shares, the fractional entitlements of such Eligible Equity Shareholders shall be ignored by rounding down of their Rights Entitlements. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the Allotment of one additional Rights Equity Share if they apply for additional Rights Equity Shares over and above their Rights Entitlements, if any, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

For example, if an Eligible Equity Shareholder holds 1 Equity Shares, such Equity Shareholder will be entitled to 4 Rights Equity Share and will also be given a preferential consideration for the Allotment of one additional Rights Equity Share if such Eligible Equity Shareholder has applied for additional Rights Equity Shares, over and above his/her Rights Entitlements, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.



## RENUNCIATION AND TRADING OF RIGHTS ENTITLEMENT

### • *Renounees*

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renouneece(s) as well.

### • *Renunciation of Rights Entitlements*

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and *vice versa* shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favor of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchanges or through an off-market transfer.

### • *Procedure for Renunciation of Rights Entitlements*

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchanges (the “**On Market Renunciation**”); or (b) through an off-market transfer (the “**Off Market Renunciation**”), during the Renunciation Period. The Shareholders should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Shareholders may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Shareholders who intend to trade in the Rights Entitlements should consult their tax advisor or stock-broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements.

**Please note that the Rights Entitlements which are neither renounced nor subscribed by the Shareholders on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.**

### **Payment Schedule of Issue Equity Shares.**

- ₹2.75 per Issue Share (including premium of ₹0.25 per Issue Share) shall be payable on Application.
- ₹5.50 per Issue Share (including premium of ₹0.50 per Issue Share) shall be payable on First Call.
- ₹2.75 per Issue Share (including premium of ₹0.25 per Issue Share) shall be payable on Second Call.

**Our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Eligible Shareholders.**

### ***(a) On Market Renunciation***

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges through a registered stock-broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchanges under ISIN INE063Z20017 subject to requisite approvals. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchanges for trading of Rights Entitlements. No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time.

Since we are a BSE listed Company. The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is 1 (one) Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, *i.e.*, from September 15, 2022 to September 26, 2022 (both days inclusive).

The Shareholders holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock-brokers by quoting the ISIN INE063Z20017 and indicating the details of the Rights Entitlements they intend to trade. The Shareholders can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE under automatic order matching mechanism and on 'T+2 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock-broker will issue a contract note in accordance with the requirements of the Stock Exchanges and the SEBI.

***(b) Off Market Renunciation***

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only.

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

The Shareholders holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN INE063Z20017, the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Shareholders can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants.

The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

***Application for Additional Equity Shares***

Investors are eligible to apply for additional Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for additional Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in "Basis of Allotment" on page 179 of the Letter of Offer.

**Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Equity Shares.** Non-resident Renounees who are not Eligible Equity Shareholders cannot apply for additional Equity Shares.

**Intention and extent of participation in the Issue by the Promoters and Promoter Group**

The Promoters and members of the Promoter Group of our Company do not intend to subscribe to their Rights Entitlement. The eligible members of our Promoter Group do not intend to subscribe for additional Equity Shares in the Rights Issue.

**INVESTORS TO KINDLY NOTE THAT AFTER PURCHASING THE RIGHTS ENTITLEMENTS (RE) THROUGH ON MARKET RENUNCIATION / OFF MARKET RENUNCIATION, AN APPLICATION HAS TO BE MADE FOR SUBSCRIBING THE SHARES OFFERED UNDER RIGHTS ISSUE. IF NO APPLICATION IS MADE BY THE PURCHASER OF RES ON OR BEFORE ISSUE CLOSING DATE THEN SUCH RES WILL GET LAPSED AND SHALL BE EXTINGUISHED AFTER THE ISSUE CLOSING DATE. NO SHARES FOR SUCH LAPSED RE WILL BE CREDITED, EVEN IF SUCH RE WERE PURCHASED FROM MARKET AND PURCHASER WILL LOSE THE AMOUNT PAID TO ACQUIRE THE RE. PERSONS WHO HAVE BOUGHT RIGHTS ENTITLEMENTS, SHALL REQUIRE TO MAKE AN APPLICATION AND APPLY FOR SHARES OFFERED UNDER RIGHTS ISSUE, IF THEY WANT TO SUBSCRIBE TO THE SHARES OFFERED UNDER RIGHTS ISSUE.**

**ANY OTHER IMPORTANT INFORMATION AS PER COMPANY**

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or suspended for debit / credit or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (e) instances where credit of the Rights Entitlements returned/reversed/failed; or (f) Equity Shares, the ownership of which is currently under dispute, including in any court proceedings.

Please note that if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an application to apply for Equity Shares offered under Rights Issue for subscribing to the Equity Shares offered under Issue.

**DECLARATION**

We hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Abridged Letter of Offer is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or the rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Abridged Letter of Offer are true and correct.

Signed by all the Directors and KMP's of Gautam Gems Limited

<b>Name of the Directors &amp; KMP's</b>	<b>Signature</b>
<b>Mr. Gautam P Sheth</b> <b>Managing Director</b> <b>DIN No.: 06748854</b>	S/d _____
<b>Mrs. Nidhi G Sheth</b> <b>Whole-Time Director</b> <b>DIN No.: 06748877</b>	S//d _____
<b>Mrs. Kanchanben P Sheth</b> <b>Executive Director</b> <b>DIN No.: 06748900</b>	S/d _____
<b>Mr. Prakash N Mehta</b> <b>Non-Executive Independent Director</b> <b>DIN No.: 07919440</b>	S/d _____
<b>Mr. Umeshbhai R Gor</b> <b>Non-Executive Independent Director</b> <b>DIN No.: 08845586</b>	S/d _____
<b>Mr. Pravin M Parekh</b> <b>Professional Non-Executive Director</b> <b>DIN No.: 07919428</b>	S/d _____
<b>Mr. Harshit H Vadecha</b> <b>Non-Executive Independent Director</b> <b>DIN No.: 08463595</b>	S/d _____
<b>Mr. Samir Lalitbhai Shah</b> <b>Chief Financial Officer</b>	S/d _____
<b>Mr. Anil Modhavadiya</b> <b>Company Secretary &amp; Compliance Officer</b>	S/d _____

Place: Surat

Date: 10<sup>th</sup> September, 2022