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(Please scan this QR Code to view the Addendum)

KABRA JEWELS LIMITED

Our company was originally incorporated and registered as a private limited company under Companies Act, 1956 in the name and style of Kabra & Malpani Jewels Private Limited vide certificate of incorporation dated July 21, 2010 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Pursuant to a resolution of our Board dated May 10, 2012 and a resolution of our shareholders dated June 07, 2012, the name of our company was changed to 'Kabra Jewels Private Limited' and a fresh certificate of incorporation dated June 28, 2012 was issued by Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Pursuant to a resolution of our Board dated April 15, 2024 and a resolution of our shareholders dated May 11, 2024, our Company was converted into a public limited company under the Companies Act, and consequently the name of our company was changed to 'Kabra Jewels Limited', and a fresh certificate of incorporation dated August 5, 2024 issued by Registrar of Companies, Central Processing Centre..

Corporate Identification Number: U52393GJ2010PLC061692

Registered Office: 6 Ground Floor, Iscon Center, Besides Tanishq, Shivranjani Cross Road, Satellite, Ahmedabad, Gujarat, India, 380015

Website: https://kkjewels.org/ **E-Mail:** cs.kkjewels@gmail.com**Tel. No**: +91 93288 71207

Contact Person: Hiral Ishan Dave (Company Secretary and Compliance Officer)

THE PROMOTERS OF OUR COMPANY ARE: KAILASH KABRA AND JYOTHI KAILASH KABRA

NOTICE TO INVESTORS: ADDENDUM TO THE DRAFT RED HERRING PROSPECTUS DATED SEPTEMBER 12, 2024: (THE "ADDENDUM")

THE ISSUE

INITIAL PUBLIC OFFER OF UPTO 32,53,000 EQUITY SHARES OF FACE VALUE OF ₹10/- EACH ("EQUITY SHARES") OF KABRA JEWELS LIMITED ("OUR COMPANY" OR "THE ISSUER") AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF [●] PER EQUITY SHARE) FOR CASH, AGGREGATING UP TO ₹ [●] LAKHS ("PUBLIC ISSUE") OUT OF WHICH [●] EQUITY SHARES OF FACE VALUE OF ₹10 EACH, AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE PUBLIC ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH, AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING UP TO ₹ [●] LAKHS IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE PUBLIC ISSUE AND NET ISSUE WILL CONSTITUTE [●] % AND [●] % RESPECTIVELY OF THE POST- ISSUE PAID- UP EQUITY SHARE CAPITAL OF OUR COMPANY. FOR FURTHER DETAILS, PLEASE REFER TO SECTION TITLED "TERMS OF THE ISSUE" BEGINNING ON PAGE 220 OF THIS DRAFT RED HERRING PROSPECTUS.

THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10/- EACH AND THE ISSUE PRICE IS [●] TIMES OF THE FACE VALUE

ADDENDUM TO THE DRAFT RED HERRING PROSPECTUS DATED DECEMEBER 18, 2024: NOTICE TO THE INVESTORS ("THE ADDENDUM")

This addendum ("Addendum") should be read in conjunction with the Draft Red Herring Prospectus dated September 12, 2024 filed EMERGE platform of National Stock Exchange of India Limited in relation to the Initial Public Issue of Kabra Jewels Limited.

In this regard, the Investor should note the following modifications/addition/update/shifting to the information disclosed in the Draft Red Herring Prospectus.

1) The Chapter titled "Summary of DRHP" beginning from page 19 of the Draft Red Herring Prospectus has been updated.
2) The Chapter titled "Risk Factor" beginning from page 25 of the Draft Red Herring Prospectus, has been updated.
3) The Chapter titled "Objects of the Issue" beginning from page 71 of the Draft Red Herring Prospectus has been updated.
4) The Chapter titled "Our Business" beginning from page 98 of the Draft Red Herring Prospectus has been updated.
5) The Chapter titled "Our Management" beginning from page 134 of the Draft Red Herring Prospectus has been updated
6) The Chapter titled "Management's Discussion and Analysis of Financial Conditions and Results of Operations" beginning

from page 186 of the Draft Red Herring Prospectus has been updated.

7) The Chapter titled "Government and Other Approvals" beginning from page 204 of the Draft Red Herring Prospectus has been updated.
8) The Chapter titled "Our Group Company" beginning from page 208 of the Draft Red Herring Prospectus has been updated.

The above is to be read in conjunction with the Draft Red Herring Prospectus and accordingly their references in the Draft Red Herring Prospectus stand amended pursuant to this Addendum. Please note that the changes pursuant to this Addendum will be appropriately included in the Red Herring Prospectus, as and when filed with the RoC and the Stock Exchanges.

All capitalized terms used in this Addendum shall unless the context otherwise requires, have the same meanings as ascribed in the Draft Red Herring Prospectus.

For Kabra Jewels Limited
On behalf of the Board of Directors
Sd/-
Mr. Kailash Kabra
Managing Director
DIN: 03135234

Place: Ahmedabad
Date: December 24, 2024

LEAD MANAGER TO THE OFFER	**REGISTRAR TO THE OFFER**
Marwadi Chandarana Intermediaries Brokers Private Limited **SEBI Registration Number**: INM000013165 **Address**: X-change Plaza, Office no. 1201 to 1205, 12th Floor, Building No. 53E, Zone-5, Road 5E, Gift City, Gandhinagar - 382355, Gujarat, India **Telephone:** +91 022 6912 0027 **Email Id:** mb@marwadichandarana.com **Investors Grievance Id:** mbgrievances@marwadichandarana.com **Website**: ib.marwadichandaranagroup.com **Contact Person**: Janil Jain/Radhika Maheshwari **CIN**: U67120GJ2018PTC103598	**Cameo Corporate Service Limited** **SEBI Registration Number**: INR000003753 **Address**: Subramaniam Building, No. 1, Club House Road, Chennai – 600002, India. **Telephone**: +: 044 4002 0700, **Email Id**: ipo@cameoindia.com **Investors Grievance Id**: investor@cameoindia.com **Website**: www.cameoindia.com **Contact Person:** Ms. K Sreepriya (Executive Vice President and Company Secretary) **CIN:** U67120TN1998PLC041613

ISSUE PROGRAMME*		
ANCHOR PORTION ISSUE OPENS/CLOSES ON*: [●]	**BID / ISSUE OPENS ON: [●]**	**BID / ISSUE CLOSES ON**: [●]#**

** Our Company, in consultation with the BRLMs, may consider participation by Anchor Investors, in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid / Issue Opening Date.*
*** Our Company, in consultation with the BRLMs, may decide to close the Bid / Issue Period for QIBs one Working Day prior to the Bid / Issue Closing Date, in accordance with the SEBI (ICDR) Regulations. # The UPI mandate end time and date shall be at 5:00 p.m. on Bid / Issue Closing Day.*

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SECTION II- SUMMARY OF DRAFT RED HERRING PROSPECTUS

A. OVERVIEW OF BUSINESS

Our Company was founded in 2010 in the name and style of "KK Jewels" a proprietorship firm and it is the idea of Mr. Kailash Kabra, a first-generation jeweller. Mr. Kailash Kabra ventured into the world of gems and jewellery at a young age of 21 years. He is dedicated to the industry and aims to offer customers jewellery that represents Indian culture. Since the start, KK Jewels has focused on giving its customers a different shopping experience. KK Jewels is a brand that offers an exquisite collection of fine jewellery at a prominent location in Ahmedabad, Gujarat.

Our company operates in the retail jewellery sector, offering a diverse range of gold, diamond, and silver ornaments and our other offerings include gold and silver coins, utensils and other artifacts. Our Company, guided by our Promoters and their team, understands customer preferences and creates designs to meet their needs. Our primary expertise is in designing and we market our exclusive creations under the brand name "KK Jewels". We have a diverse product portfolio includes rings, earrings, pendants, bracelets, chains, necklaces, bangles and other wedding jewellery through which we cater a large number of customers. As on the date of this DRHP, Our Company has 6 showrooms under the brand *KK Jewels Bridal, KK Jewels Diamond, KK Jewels Silver, KK Jewels Gold, KK Jewels - Atarashi and KK Jewels - Silver Studio*, 3 offices and 1 exhibition centre located in the city of Ahmedabad. All of these showrooms are operated and managed by us, and has been taken on rental basis. For further details of our showrooms, office and exhibition centre refer section "*Our Business – Our Location*" on page no. *119*. Our gold, diamond and other jewellery inventory in each showroom reflects customer preferences and designs. Our main strengths are our focus on design and innovation, our understanding of consumer preferences and market trends, the detail in our designs, and the quality of our products.

SECTION III - RISK FACTORS

The following Risk Factors shall be amended and/ or updated and/or added under the section titled "Risk Factors" beginning from page 25 of the Draft Red Herring Prospectus:

4. Business Risk Due to Geographic Concentration

A significant majority of the Company's retail stores are located in Ahmedabad at Shivranjani Cross Road - 380015 and Ambali Bopal Road - 380054. This geographic concentration exposes the Company to potential risks associated with the local market. Any adverse economic conditions, changes in consumer preferences, regulatory changes, infrastructure issues, or natural disasters affecting Ahmedabad could have a material negative impact on the Company's operations and financial performance. Furthermore, the Company's reliance on a single city for a substantial portion of its revenue limits its ability to mitigate risks associated with local market fluctuations and competition. If the economic conditions or consumer behaviour in Ahmedabad were to deteriorate, or if the Company's stores in this region were to face operational disruptions, the Company's results of operations, cash flows, and financial condition could be adversely affected.

6. We have not entered into any agreements with our vendors and job workers (Karigars). Thus, any dispute or delay in getting the work done from the vendor and job workers could have a material adverse effect on our business, results of operations and financial condition.

We design our products based on customer needs and have established arrangements with various vendors and job workers who manufacture products on our behalf using our design. The details of Vendors and job workers for the past three financial years is as follows:

Particulars	FY 2021-2022	FY 2022-2023	FY 2023-2024
Number of Vendors	182	206	255
Number of Job workers (Karigars)	1	1	1

The Issuer Company operates seven retail showrooms within the same vicinity. In line with standard practices in the gems and jewellery industry, a single lead job worker is appointed for the entire process, from order creation to delivery, serving as the sole point of contact. This lead job worker oversees a team of various workers who report directly to him. The lead job worker takes responsibility for getting the work done by utilizing his own karigars or by hiring additional karigars as needed. Once the work is completed, he then issues an invoice to us or exchanges gold for gold used in the jewellery. Since we primarily coordinate with the lead job worker, who manages his own team, we have referred to him as a 'single job worker'.

Further, we have not entered into any agreements with our vendors and the job workers. In the past three financial years, we have not had any disputes with any karigars. Thus, any dispute or delay in future in getting the work done from the job workers could result into inventory mismanagement which could have a material adverse effect on our business, results of operations and financial condition.

8. Our gold and jewellery business faces risks from market volatility and changing consumer preferences. Fluctuations in commodity prices like gold could impact our costs and profitability. Evolving consumer tastes influence product demand, necessitating continuous adaptation to remain competitive.

Our gold and jewellery business face heightened risk due to market volatility and shifting consumer preferences, compounded by the current record-high gold rates that may continue to rise. Fluctuations in commodity prices, especially in gold, directly impacts our cost of goods sold and overall profitability. The current peak in gold prices presents a particular challenge, as further increases could escalate our COGS costs, potentially squeezing profit margins unless we adapt our pricing strategies accordingly. Conversely, sudden declines in gold prices could impact inventory valuation and profitability, especially if we have materials acquired at higher costs. The average cost of acquisition of gold for the past 3 financial years is as follows:

Particulars	FY 2021-2022	FY 2022-2023	FY 2023-2024
Avg cost of Acquisition of Gold per gram (in Rs.)	5163.56	6149.87	6723.91

In addition to market volatility, evolving consumer tastes and preferences in jewellery design pose ongoing challenges. Consumer preferences can swiftly change in response to fashion trends, cultural influences, and aesthetic shifts. Our success in the market hinges on our ability to anticipate and respond effectively to these changes, offering products that resonate with current consumer demands. Failure to do so could result in excess inventory, reduced sales, and decreased market relevance over time.

Given the current peak in gold rates and the unpredictability of consumer preferences, our business must remain adaptable and agile to navigate these risks successfully. It is essential to closely monitor market conditions, adjust pricing strategies accordingly, and continuously innovate to ensure our products remain appealing and competitive in the dynamic jewellery industry landscape.

10. We undertake sales on credit terms to a limited number of customers and defaults in payment of the dues by such customers could have an adverse effect on our business, results of operations and financial condition.

We undertake sales on credit terms to a limited number of customers as a part of our business operations. The trade receivable for the last three financial years is as follows:

(Rs. in Lakhs)

Particulars	2024	2023	2022
Revenue from operations	16,400.17	12,227.07	11,208.04
Trade Receivable	628.77	313.36	123.14
No. of Customers to whom the sales is made and outstanding as on respective March 31	77	40	27
Trade receivables as a % of revenue from operations	3.83%	2.56%	1.10%

As a result, these customers become our debtors, and we rely on their timely payments to manage our cash flow, working capital, and meet operational requirements. There is a risk associated with the possibility of defaults or delayed payments by our debtors, which could have a material adverse effect on our financial position, results of operations, and liquidity.

In the event of non-payment or delayed payment by these customers, we may face challenges in managing day-to-day operations, including fulfilling financial obligations and funding growth initiatives. Our ability to collect outstanding amounts from our debtors is crucial to maintaining a cash flow and supporting ongoing business activities. If we experience defaults or significant delays in payments, it may adversely impact our ability to meet our working capital needs and could negatively affect our profitability and financial condition.

However, there have been no such instances of bad debts return off in the past, there can be no assurance that we will be able to recover all amounts due from our debtors, which could lead to further financial strain or require us to take additional steps to mitigate the impact of such defaults.

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

Our business operations require us to maintain large amounts of inventory at all our showrooms at all times. Our operations may be subject to incidents of theft or damage to inventory in transit, prior to stocking or during showroom stocking and display. Although we have set up various security measures, including tagging our products, CCTV in showrooms, armed security guards and follow stringent operational processes such as a routine for stock taking, there can be no assurance that we will not experience any fraud, theft, employee negligence, security lapse, loss in transit or similar incidents in the future, which could adversely affect our results of operations and financial condition. Additionally, in case of losses due to theft, fire, breakage or damage caused by other casualties, there can be no assurance that we will be able to recover from our insurer the full amount of any such loss in a timely manner, or at all. If we incur a significant inventory loss due to third-party or employee theft and if such loss exceeds the limits of, or is subject to an exclusion from, coverage under our insurance policies, it could have a material adverse effect on our business, results of operations and financial condition. There have been no instances incurred in the past relating

to fraud or theft or employee negligence or similar incidents which may have adverse effect on the financial condition of the company.

14. Our insurance may be insufficient to cover all losses associated with our business operations.

Our insurance policies currently cover insurance of the stock at the premises of our showrooms and vehicles used for business purpose. Notwithstanding the insurance coverage that we carry, we may not be fully insured against abnormal business risks. However, in the last three financial years there have been no instances where the company has incurred losses due to any events which was greater than the insurance policy limits.

Following is the summary of the insurance policies of our Company:

Sr. No.	Name of the Insurance Company	Validity period	Policy No.	Sum Insured (₹)	Description of cover under the policy
1	IFFCO - TOKIO General Insurance Company Limited	12/08/2024 to 11/08/2025	48047699	1,61,00,00,000	Stock Insurance and Jewellers Block Protector Policy
2	Zuno General Insurance Limited	01/11/2023 to 31/10/2024	900562981	6,37,200	Vehicle Insurance
3	Zuno General Insurance Limited	21/01/2024 to 20/01/2025	900609600	4,05,000	Vehicle Insurance
4.	ICICI Lombard	01/06/2024 to 30/06/2025	3001/349245142/00/000	30,00,000	Vehicle Insurance
5.	Zuno General Insurance Limited	12/04/2024 to 11/04/2025	900653214	5,32,665	Vehicle Insurance
6.	TATA AIG General Insurance Company Limited	30/11/2023 to 29/11/2024	6202221427 00 00	6,01,958	Vehicle Insurance
7.	Zuno General Insurance Limited	22/04/2024 to 21/04/2025	900656505	5,32,665	Vehicle Insurance
8.	HDFC ERGO General Insurance Company Limited	02/05/2024 to 01/05/2025	2302 2063 7788 3300 000	19,63,500	Vehicle Insurance
9.	ICICI Lombard	29/06/2024 to 28/06/2025	3001/O/348632143/00/000	66,00,000	Vehicle Insurance
10.	LIBERTY General	04/012024 to 03/01/2025	2011400201237035656 00 000	17,00,000	Vehicle Insurance

	Insurance Limited				
11.	HDFC ERGO General Insurance Company Limited	21/03/2024 to 20/03/2025	2302 2053 0946 2800001	45,00,000	Vehicle Insurance

There are many events that could significantly impact 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 on time. 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. For details, please see "Our Business - Insurance" on page 118.

15. Our offices and showrooms are located only in Ahmedabad, Gujarat, India. Any adverse development affecting such region may have an adverse effect on our business, prospects, financial condition, and results of operations.

Our offices and showrooms are located only in Ahmedabad, Gujarat, India. Our business is highly vulnerable to regional conditions and economic downturns in the region. Any unforeseen events or circumstances that negatively affect this area could materially adversely affect our sales and profitability. These factors include, among other things, changes in demographics, population and income levels. In addition, our business may also be susceptible to regional natural disasters and other catastrophes, such as fires, riots, political unrest or terrorist attacks.

Any materially adverse social, political or economic development, natural calamities, civil disruptions, or changes in the policies of the local governments in this region could adversely affect operations at our offices and the showrooms. Natural disasters such as earthquakes, extreme climatic or weather conditions such as floods, droughts, or diseases heightened or particular to the region, may adversely impact the supply of raw material to our vendors and/or job workers, end-products, local transportation and operations at our offices and showrooms. Such disruptions to supply would materially and adversely affect our business, profitability and reputation. However, there have been no instances of adverse development affecting regions where our office and showrooms are located which may have adverse impact on our business, prospectus, financial condition and results of operations of the company.

18. The trademark of ATARASHT was registered under the name of the Promoter and Director Mrs. Jyoti Kabra and was subsequently transferred through an assignment deed.

The trademark of ATARASHT originally registered under the name of Promoter and Director Mrs. Jyoti Kabra, was later assigned to our Company through a deed of assignment. However, according to the terms of the trademark assignment agreement, the license can be revoked if there is any failure by the licensee to maintain the quality and standards of the products as prescribed by the licensor, potentially resulting in the loss of our brand and customers. Such a scenario could adversely impact our business, operational results, and financial condition.

19. In the past, there have been discrepancies in filings with the Registrar of Companies (RoC) and other non-compliances under the Companies Act, which may result in penalties. Further, we have filed a compounding application with the MCA for such non-compliance.

There was a non-compliance reported by the practicing Company Secretary in their search report dated September 11, 2024 for the financial year 2022-23. These include the violation of provision under Section 134(3)(o) of the Companies Act, 2013. Certain forms were also filed late with the Registrar of Companies, which we have since rectified by filing and paying the additional fees. The details of such delay in filing of forms with Registrar of Companies are as follows:

Financial Year	Name of the ROC Form	Due date of Filing	Actual date of Filing	Number of days delay in filing	Interest/ Penalty (In ₹)	Reason for delay
2010 -11	FORM 23AC	29/10/2011	11/11/2011	13	1000	Due to Inadvertence
2011-12	FORM 20B	28/11/2012	25/12/2012	27	1000	
2014-15 to 2018-19	FORM ADT-1	14/10/2014	29/10/2014	15	600	
2017-18	FORM CHG-1	03/11/2017	21/12/2017	48	1200	
2018-19	FORM ADT-1	14/10/2018	29/10/2018	15	600	
2021-22	FORM AOC-4 XBRL	29/10/2022	27/11/2022	29	2900	
2022-23	FORM AOC-4 XBRL	29/10/2023	18/11/2023	20	2000	
2022-23	FORM DPT-3	30/06/2023	29/08/2024	426	7200	
2022-23	FORM CSR-2	31/03/2024	04/09/2024	157	0	
2023-24	FORM CHG-1	09/06/2023	18/10/2023	131	3600	
2024-25	FORM DPT-3	30/06/2024	29/08/2024	60	2400	
2024-25	FORM INC-27	25/05/2024	07/08/2024	74	2400	

On September 09, 2024, Our Company filed a suo moto compounding application with the MCA pursuant to Section 441 of the Companies Act, 2013 for compounding of violation of provision under Section 134(3)(o) of the Companies Act, 2013. Further, the said compounding application had expired. Therefore, the Company has filed fresh application on October 10, 2024 and the application is under process with the Registrar of Companies, Gujarat, Dadra and Nagar Haveli.

There can be no assurance that MCA will compound this offence in a timely manner or at all. In the event that we are subject to any penalties or other regulatory actions in relation to the abovementioned compounding application, our reputation, business and results of operations could be adversely affected. Further, we cannot assure you that such lapses will not occur in the future and that we will not be subject to further penalties or other regulatory action.

20. Our independent directors do not have any prior experience of directorship in any of the listed entities.

None of our independent directors possess experience of being on the board of any listed company and accordingly, may not be adequately well-versed with the activities or industry practices undertaken by the listed company. We cannot assure you that this lack of adequate experience will not have any adverse impact on the management and operations of our Company. Further, our Company will also be subject to compliance requirements under the SEBI Listing Regulations and other applicable law post listing of the Equity Share on the Stock Exchanges.

21. The Company's high debt-to-equity ratio may limit financial flexibility, increase borrowing costs, and expose it to heightened risks during adverse economic conditions.

The Company has maintained a high debt-to-equity ratio of 2.90, 3.22, and 2.74 for FY 2024, FY 2023, and FY 2022, respectively. A high debt-to-equity ratio indicates significant reliance on borrowed funds, which may expose the Company to financial and operational risks. Increased debt levels could limit our ability to obtain additional financing on favourable terms, increase our interest payment obligations, and reduce our financial flexibility.

In the event of adverse economic conditions, fluctuations in interest rates, or business downturns, our ability to service this debt could be impacted, potentially leading to liquidity challenges, default on debt obligations, or the need to refinance on unfavourable terms. These factors could adversely affect our financial condition, results of operations, and future growth prospects. Furthermore, any deterioration in our credit profile may affect our access to capital and could result in higher borrowing costs or restrictive covenants from lenders, limiting our operational flexibility and profitability.

22. Lack of Track Record of the Book Running Lead Manager (BRLM) in managing or handling public issues.

The Book Running Lead Manager (BRLM) for this IPO does not have a prior track record of managing or handling public issues. This lack of experience in executing such offerings could pose potential risks such as pricing, timing, and overall management of the offering process. Although, the BRLM possesses the requisite qualifications and expertise, their limited experience in handling public offerings may result in unforeseen obstacles. These could include difficulties in attracting investors and efficiently managing with intermediaries such as stock exchange, registrar to the issue, depositories, and publication agencies. Additionally, there can be no assurance that the BRLM will be able to smoothly navigate any regulatory requirements or market dynamics that may arise during the course of the issue. Any such challenges could negatively impact the execution or overall outcome of the IPO.

24. We have entered into, and will continue to enter into related party transactions. We cannot assure you that such transactions, individuals or in the aggregate, will not have an adverse effect on our business, financial condition, cash flows and results of operations.

We have in the past entered into related party transactions and may continue to do so in the future, subject to relevant compliances under applicable laws and rules as amended, which may potentially involve conflicts of interest with the equity shareholders.

We have in the course of our business entered into transactions with related parties. All such related party transactions in the past were done in an arm's length basis and we may continue to do so in the future. For Details of the related party transactions for the Financial Years 2024, 2023 and 2022 respectively, see "Restated Financial Statements – Notes forming part of the Restated Financial Statements - Note: "AB" "List of Related Parties and related party transactions" on page no. 177. We cannot assure you that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. It is possible that we may enter into related party transactions in the future. We cannot assure you that such future transactions, individually or in the aggregate, will not have an adverse effect on our business, financial condition, cash flows and results of operations or that we could not have achieved more favourable terms if such future transactions had not been entered into with related parties. We cannot assure you that our Directors and officers will be able to address such conflicts of interests or others in the future.

27. We could face customer complaints or negative publicity about our customer service.

Customer complaints or negative publicity about our customer service could diminish consumer confidence in, and the attractiveness of, our Company and brand. We interact with customers across all of our showrooms and consistently strive to maintain high standards of customer service. However, we periodically have experienced customer disputes and receive complaints, which we endeavor to resolve through prompt and effective customer service. Any inability by us to properly manage or train our sales staff, and managerial personnel who handle customer complaints and disputes could compromise our ability to handle customer complaints effectively in the future. If we do not handle customer complaints effectively, our reputation may suffer, and we may lose our customers' confidence, which could have a material adverse effect on our business, financial condition and results of operations. However, there have been no instances where the customer has raised a complaint or has done negative publicity about our customer service.

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

We rely on our information technology ("IT"), systems to provide us with connectivity across our business functions and showrooms through our software, hardware and network systems. Our business processes are IT - enabled. Our jewellery is typically tracked by radio-frequency identification tags tracking system that uses smart barcodes in order to identify jewellery items.

We utilise computer systems in each of our showrooms to track and monitor each piece of inventory, which are further linked to our RFID Tag. Any failure in our IT systems or loss of connectivity or any loss of data arising from such failure could disrupt our ability to track, record and analyze inventory, process financial information, manage creditors/debtors or engage in normal business activities, which could have a material adverse effect on our operations. Although we have not experienced any material failure in our IT systems, there can be no assurance that our IT systems will not suffer a material failure in the future. We are also susceptible to potential hacking or other breaches of our IT systems. 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.

Furthermore, we individually tag each item that is sold at our showrooms, which enables us to track, record and analyze sales of our products to customers across all of our showrooms. Any delay or disruption in our IT systems, 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 analyze sales of our products, which could have a material adverse effect on our business. However, there have been no instances in the past where there has been failure or disruption in information technology adopted by the company which could adversely impact business and operations of the company.

We also have a website, https://kkjewels.org/ . Many of our control systems are dependent on third party software and technology. Our website and 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.

37. In case of our inability to obtain, renew or maintain the statutory and regulatory licenses, permits and approvals required to operate our business it may have a material adverse effect on our business.

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 state and central government levels for doing our business. The approvals, licenses, registrations and permits obtained by us may contain conditions. Further we will need to apply for renewal of certain approvals, licenses, registrations and permits, which expire or need to update pursuant to change in name and conversion of company to public Company.

While we have obtained a significant number of approvals, licenses, registrations and permits from the relevant authorities, there can be no assurance that the relevant authority will issue or renew expired approvals within the applicable time period or at all. Any delay in receipt or non-receipt of such approvals, licenses, registrations and permits could result in cost and time overrun or which could affect our related operations. However, there have been no instances in the past where we were unable to obtain or renew or maintain the statutory and regulatory licenses, permits and approvals which are required to operate the business and which may have a material adverse effect on financial condition or results of operations of the company.

These laws and regulations governing us are increasingly becoming stringent and may in the future create substantial compliance or liabilities and costs. While we endeavor to comply with applicable regulatory requirements, it is possible that such compliance measures may restrict our business and operations, result in increased cost and onerous compliance measures, and an inability to comply with such regulatory requirements may attract penalty. For further details regarding the material approvals, licenses, registrations and permits, see "Government and Other Approvals" on page 204 of this Draft Red Herring Prospectus.

Furthermore, we cannot assure you that the approvals, licenses, registrations and permits issued to us will not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Any suspension or revocation of any of the approvals, licenses, registrations and permits that has been or may be issued to us may affect our business and results of operations.

42. There is no monitoring agency appointed by our Company and deployment of funds are at the discretion of our Management and our Board of Directors, though it shall be monitored by the Audit Committee.

The deployment of funds raised through this Issue shall not be subject to any Monitoring Agency and shall be purely dependent on the discretion of the management of Our Company. Since, the Issue size is less than ₹10,000 Lakhs, there is no mandatory requirement of appointing an Independent Monitoring Agency for overseeing the deployment of utilization of funds raised through this Issue. The deployment of these funds raised from this Issue, is hence, at the discretion of the management and the Board of Directors of Our Company and Our Company's management will have

flexibility in applying the proceeds of the Issue and will not be subject to monitoring by any independent agency. The fund requirement and deployment mentioned in the Objects of the Issue is based on internal management estimates and have not been appraised by any bank or financial institution. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financials. However, our Audit Committee will monitor the utilization of the proceeds of this Issue and prepare the statement for utilization of the proceeds of this Issue. Also, in accordance with Section 27 of the Companies Act, 2013, a company shall not vary the objects of the Issue without the Company being authorized to do so by our shareholders by way of special resolution and other compliances as applicable in this regard. Our Promoters shall provide exit opportunity to such shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

52. ***Industry information included in this Draft Red Herring Prospectus has been derived from industry reports. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.***

We have relied on the reports of certain independent third party for purposes of inclusion of such information in this Draft Red Herring Prospectus, details of the reports are as follows:

Sr. No.	Name of the Organization	Web link / Source
1.	Indian Monetary Fund	https://www.imf.org/en/Publications/
2.	Indian Brand Equity Foundation	https://www.ibef.org/industry/gems-jewellery-india
3.	Bureau of India Standards (BIS)	https://www.manakonline.in/MANAK/login

These reports are subject to various limitations and based upon certain assumptions that are subjective in nature. We have not independently verified data from such industry reports and other sources. Although we believe that the data may be considered to be reliable, their accuracy, completeness and underlying assumptions are not guaranteed and their dependability cannot be assured. While we have taken reasonable care in the reproduction of the information, the information has not been prepared or independently verified by us or any of our respective affiliates or advisors and, therefore, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this DRHP.

OBJECTS OF THE ISSUE

The following information shall be amended and/ or updated and/or added under the chapter titled "Objects of the Issue" beginning from page 71 of the Draft Red Herring Prospectus:

Details of Utilization of Net Proceeds

1. Repayment of certain borrowing availed by our Company, in part or full

The details of the borrowings availed by our Company, which are proposed to be fully or partially repaid or pre-paid from the Net Proceeds is mentioned below:

Sr. No.	Name of Lender	Purpose of Loan
1.	Kotak Mahindra Bank	The loan has been obtained by way of mortgaging the property owned by the director Mrs. Jyothi Kailash Kabra and it is used to meet the working capital requirements of the company.
2.	Kotak Mahindra Bank	The loan has been obtained by way of mortgaging the property owned by the director Mrs. Jyothi Kailash Kabra and it is used to meet the working capital requirements of the company.
3.	Poonawalla Fincorp Limited	It is a business loan obtained by the company by mortgaging the property owned by company situated at Unit No. 112, First Floor, Retail Plaza (One 42), Ambli- Bopal Road, Ahmedabad.
4.	Ratnaafin Capital Private Limited	The loan has been obtained by way of mortgaging the property owned by Kailash Kabra and it is used to meet the working capital requirements of the company.
5.	HDFC Bank Limited	The loan has been obtained for acquisition of vehicle.

Note: *The details included in the above table is as per Schedule 6, (9), (A), (2) of the SEBI ICDR as amended and it has been certified by our Statutory Auditors pursuant to their certificate dated August 27, 2024.*

2. To Meet Working Capital Requirements

Details of Estimation of Working Capital requirement are as follows:

Sr. No.	Particulars	Actual (Restated) As at March 31,			Estimated As at March 31,	
		2022	2023	2024	2025	2026
A	**Current assets**					
	Inventories	5,287.17	9,281.72	11,522.74	11,916.80	12,255.80
	Trade receivables	123.14	313.36	628.77	1,250.00	1,563.00
	Short Term Loans & Advances	1,010.45	524.21	419.05	757.05	1,197.70
	Other Current Assets	0.11	0.38	0.97	316.86	67.60
	Total Current Assets (A)	**6,420.88**	**10,119.66**	**12,571.53**	**14,240.72**	**15,084.10**
B	**Current liabilities**					
	Trade payables	616.69	1,802.23	1,032.93	721.70	600.00
	Short term provisions	194.87	166.32	327.90	490.54	802.06
	Other Financial Liabilities*	192.98	123.35	191.64	207.51	197.41
	Other Current Liabilities	104.30	151.88	549.92	107.00	107.00
	Total current liabilities (B)	**1,108.83**	**2,243.78**	**2,102.39**	**1,526.76**	**1,706.47**
C	**Net working capital (A-B)**	**5,312.04**	**7,875.89**	**10,469.14**	**12,713.96**	**13,377.63**

D	Particulars	FY 2022	FY 2023	FY 2024
	Number of Showrooms	2	5	7

E	Quantitative Analysis of Working Capital			
	Particulars	**FY 2022**	**FY 2023**	**FY 2024**
1	Quantity of Major gold jewellery items (in grams)	98,311	1,29,890	1,38,459
2	Rate of above items (per gram)	5,064	6,088	6,876
3	Value (Rs. In Lacs)	4,978.54	7,907.23	9,520.10

Holding Periods: (In Days)

Particulars	Actual (Restated) As at March 31,			Estimated As at March 31,	
	2022	**2023**	**2024**	**2025**	**2026**
Current assets					
Inventories	172	277	256	217	179
Trade receivables	4	9	14	23	23
Trade payables (Incl. Advance received from customers)	25	50	37	19	13
Net working capital (A-B)	**151**	**236**	**233**	**221**	**189**

Note: The details included in the above table have been certified by our Statutory Auditors pursuant to their certificate dated August 27, 2024

Justification:

The working capital requirement in FY 2025 is assumed to be same as that of FY 2024 i.e., 1.57 times of sales in FY 2024.

Further, the working capital projections made by the Company are based on certain key assumptions, as set out below:

Inventories	Our Company's finished goods primarily consist of jewellery made of gold, diamond, silver and other precious and semi-precious stones. Finished goods inventory days are computed from the historic restated Financial Information. Historically they have ranged from 172 to 256 days. They have been assumed to be 217 days and 179 days for fiscal 2025 and 2026 respectively on the basis of the growth plans of the Company. In FY 2024 and 2023 the inventory has increased by 19.45% (₹ 2241.02 Lakh) and 43.04 % (₹ 3994.54 Lakhs) in value against 6.19% (8569.00 grams) and 24.31% (31,579 grams) in quantity. The increase in value was primarily due to increase in price of gold and increase in quantity was due to increase in number of showrooms from 2 to 7 during the Fiscal 2022 to 2024. We as a jeweller, required to store / display the products at the showroom, which is main promotional / advertisement activity to attract our target customers. We also participate in various jewellery exhibition across India where we display exclusive products and hence, we need to purchase and hold larger quantities of products at our showrooms. Further, In Fiscal 2025 and 2026, increase in projected inventory is estimated with normal increase due to respective increase in sales at constant rates. Hence, inventory holding days is reducing to 217 and 179 days in Fiscal 2025 and 2026.
Trade Receivable	The Holding levels of the trade receivable were 4 days in Fiscal 2022, 9 days in Fiscal 2023 and 14 days in Fiscal 2024. We have been able to maintain the trade receivables around normalcy during the previous three Fiscals. It may be noted that there is marriage season during 1st & 4th quarters every financial year. Due to this, normally sales is always higher in 4th quarter compared to other quarters. As a

	result, the receivables standing as on 31st march every year may be reflecting for higher number of days, which may not be there for throughout the year. Due to : - increase in show rooms, - change in product mix & customer mix,, - increase in prices of jewellery (due to increase in gold rates) - increase in turnover business of model 2 (High end jewellery which attracts more high end reputed customers as well) and, since our company is in the business for more than 10 years, we have developed relations with numerous customers (referred as long standing customers), so the company gives some credit ranging from 15 days to maximum of 45 days to such customers to maintain good relationships. Hence for the FY 2025 & FY 2026, receivables has been assumed at average of 25 days of entire sales.
Short Term Loans & Advances and Other Current Assets	With increase in company's profitability and in order to comply with the other provisions of the other act the company has to deposit advance tax with the revenue authorities hence there is increase in short term loans & advances. In the FY 2025 the company has projected Rs. 407.05 lacs of advance tax which is included in Short Term Loans and advances. In FY 2024 it was Rs. 201.67 lacs. The company also pays advances to the vendors to fix the purchase rate of gold and/or to avail discount.
Trade Payables	Holding levels for trade payables are computed from the historic restated financial information and has ranged between 25 to 37 days. In the past our holding levels of trade payables has decreased from 50 days in Fiscal year 2023 to 23 days in Fiscal year 2024. With increase in prices of precious metal, gems and other stones, suppliers are expecting prompt payment. In order to maintain regular supply at good rates, we plan to use the incremental finance available to get better rates for our purchases and accordingly the creditor days are expected to reduce and have been estimated to be 19 days for fiscal 2025. In Past, with increase in internal accruals and working capital facility, the company managed to make payment to their suppliers in order to get better prices. With the increase in cash accruals & liquidity, trade payables had reduced from 1802.23 lacs as on 31-3-2023 to Rs. 1032.93 lacs as on 31-3-2024. The day's payable outstanding has been estimated at 19 days in FY 2024-25. Our Company has proposed to utilize a part of the fresh issue proceeds towards working capital requirements during the financial year 2025, which will lead to payment to creditors and reduction in the outstanding days payable. Hence, trade payables days are estimated at lower levels which will enable our Company to get better terms from our vendors. This in turn will lead to increase in overall margins.
Other Current Liabilities	In FY 24 there was an increase in advance from customers as on 31.3.24. In the coming FY 25 & FY 26 the company has estimated advances conservatively at Rs. 100.00 lacs in line with years prior to FY 24 and Rs 7.00 lakhs amounting to other statutory liabilities.

Note:

1. *Holding period level (in days) of Inventories is calculated by dividing inventories by revenue from operations multiplied by number of days in the year (365).*
2. *Holding period level (in days) of Trade Receivables is calculated by dividing trade receivables by revenue from operations multiplied by number of days in the year (365).*
3. *Holding period level (in days) of Trade Payables is calculated by dividing trade payables by raw material consumption multiplied by number of days in the year (365).*

The reasons for increase in future working capital requirements of our company are as under:

- Our business operations are working capital intensive. To offer a wider range of product options to our retail clients across our showrooms and effectively expand our business reach, we need to secure greater access to liquid funds and ensure sufficient working capital alongside our existing resources.

- We have recently started offering distinctive antique gold jewellery. We plan to expand this product by introducing these pieces in our retail showrooms, with the goal of growing our customer base, increasing revenue, and improving margins. We believe this market holds considerable potential, and to fully leverage it, additional working capital will be required to support the expansion of this product line.

Hence General Rationale for Increase in working capital are as under:

1. It may be noted that we have now developed dedicated stores for various customers as per their requirements as mentioned hereunder: -
   - KK Jewels Bridal - Caters to the jewellery to be given on the occasion of marriage or such other major occasions.
   - KK Jewels Diamond- Caters to the demand of Diamond jewellery required by Upper Middle Class & Upper-class families.
   - KK Jewels Gold- Caters the demand for general gold jewellery like Ring, chain, accessories etc.
   - KK Jewels Silver- where Silver jewellery and allied metal silver utensils & articles are sold.
   - KK Jewels – Atarashi- Caters cater demand of Polki & real diamond light jewellery mainly for youths & middle-class customers.
   - KK Jewels - Silver Studio-cater demand for all kind of silver & allied metal jewellery & articles.

   To cater various type of customers, we need to maintain higher inventory leading to increased working capital requirements.

2. Since, the different class of customers are served as per their requirements, where the company needs to maintain inventory as per: -
   A. Occasions like Marriage, Gifting options on Rakshabandhan, Diwali, Housewarming, baby Shower, on any other special religious or general occasions (e.g. On Navratri Occasion young girls prefer silver jewellery & Articles, leading to huge demand of such type of articles)
   B. Age group wise customers ranging from Kids, Youths, Middle aged and old aged.
   C. Customer belief wise (e.g. some customers prefer only gold jewelleries without any type of stones, whereas some others like Diamond or precious stone jewellery)
   D. Fashion wise inventory (e.g. diamond studded Mobile, Pen, Belts, Gold & diamond watches, accessories etc.)

   Due to continuously changing fashion, the company needs to maintain inventory of various style & quality of jewellery, to cater the needs of varieties of customers (as per showroom requirements). This will lead to increase in Inventory requirement leading to increase in working capital. The combined effect of all above, i.e. increase of dedicated showrooms, changing fashion, satisfying different age group customers etc. has led to increase in working capital.

3. Our company stands out as a premier gold jewellery retail chain in Ahmedabad, with a strong focus on the B2C market. We excel in creating a diverse array of gold jewellery that marries traditional craftsmanship with contemporary style. Our offerings include stunning pieces featuring emeralds, jade, pearls, Meena work, and intricate studded designs. Further, our company majorly operates on designer jewellery and made-to-order basis. Our Company's business is a working capital intensive and to address the current issue of limited working capital and achieve exponential growth, the company plans to infuse funds into working capital from the Issue Proceeds.

Public Issue Expenses

The total expenses of the Issue are estimated to be approximately ₹ [●] lakhs. The Issue related expenses primarily include fees payable to the Lead Manager and legal counsel, fees payable to the Auditors, brokerage and selling commission, underwriting commission, commission payable to Registered Brokers, RTAs, CDPs, SCSBs' fees, Sponsor Bank's fees, Registrar's fees, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges.

The break-up of the estimated Issue expenses is set forth below:

Activity	Estimated Expense * (₹ in lakhs)	As a % of total estimated Issue related expenses	As a % of Issue size
BRLM fees (including underwriting, brokerage and selling commission)	[●]	[●]	[●]
Commission / processing fee for SCSBs, Sponsor Bank and Bankers to the Issue. Brokerage and selling commission and bidding charges for Members of the Syndicate, Registered Brokers, RTAs and CDPs. **	[●]	[●]	[●]
Fees payable to Registrar to the Issue	[●]	[●]	[●]
Fees payable to auditors, market research firms and other consultants / professionals	[●]	[●]	[●]
Other Expenses			
• Listing fees, SEBI Fees, upload fees, NSE and BSE processing fees, book building software fees and other regulatory expenses	[●]	[●]	[●]
• Printing and Stationery	[●]	[●]	[●]
• Advertising and Marketing expenses	[●]	[●]	[●]
• Fees payable to Legal Advisors to the Issue	[●]	[●]	[●]
• Miscellaneous	[●]	[●]	[●]
Total estimated Issue expenses	**[●]**	**[●]**	**[●]**

** Issue expenses include taxes, where applicable. Issue expenses will be incorporated at the time of filing of the Prospectus. Issue expenses are estimates and are subject to change.*

*** Selling commission payable to the SCSBs on the portion for Retail Individual Bidders and Non-Institutional Bidders which are directly procured and uploaded by the SCSBs, would be as follows:*

*Portion for Retail Individual Bidders^*	*[●]% of the Amount Allotted (plus applicable taxes)*
*Portion for Non-Institutional Bidders^*	*[●]% of the Amount Allotted (plus applicable taxes)*

^ Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price

No additional bidding charges shall be payable by the Company to the SCSBs on the applications directly procured by them. The selling commission payable to the SCSBs will be determined on the basis of the bidding terminal ID as captured in the bid book of BSE and NSE.

Processing fees payable to the SCSBs on the portion for Retail Individual Bidder and Non-Institutional Bidders (excluding UPI Bids) which are procured by the members of the Syndicate / sub-Syndicate / Registered Broker / RTAs / CDPs and submitted to SCSB for blocking would be as follows:

*Portion for Retail Individual Bidders^*	*₹ [●] per valid Bid cum Application Form (plus applicable taxes)**
*Portion for Non-Institutional Bidders^*	*₹ [●] per valid Bid cum Application Form (plus applicable taxes)**

** For each valid application*

Notwithstanding anything contained above, the total processing fee payable under this clause will not exceed ₹ [●] lakhs (plus applicable taxes) and in case if the total processing fees exceeds ₹ [●] lakhs (plus applicable taxes) then processing fees will be paid on pro-rata basis for portion of Retail Individual Investors and Non-Institutional Investors, as applicable.

Brokerage, selling commission and processing/ uploading charges on the portion for Retail Individual Investors and Non-Institutional Investors (excluding UPI Bids) which are procured by Members of the Syndicate (including their

sub-Syndicate Members), RTAs and CDPs or for using 3-in-1 type accounts-linked online trading, demat & bank account provided by some of the Registered Brokers which are Members of the Syndicate (including their sub-Syndicate members) would be as follows:

*Portion for Retail Individual Bidders^*	*[●]% of the Amount Allotted (plus applicable taxes)*
*Portion for Non-Institutional Bidders^*	*[●]% of the Amount Allotted (plus applicable taxes)*

^ Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price

The selling commission payable to the Syndicate/sub-Syndicate members will be determined (i) for RIIs, NIIs (up to ₹ [●] lakhs) on the basis of the application form number/series, provided that the application is also bid by the respective Syndicate/sub-Syndicate member. For clarification, if a Syndicate ASBA application on the application form number/series of a Syndicate/sub-Syndicate member, is bid by an SCSB, the selling commission will be payable to the SCSB and not the Syndicate/sub-Syndicate member; (ii) for NIIs (above ₹ [●] lakhs), Syndicate ASBA Form bearing SM code and sub-Syndicate code of the application form submitted to SCSBs for blocking of the fund and uploading on the exchange platform by SCSBs. For clarification, if a Syndicate ASBA application on the application form number / series of a Syndicate / sub-Syndicate member, is bid by an SCSB, the selling commission will be payable to the Syndicate / sub-Syndicate members and not the SCSB.

Bidding charges payable to members of the Syndicate (including their sub-Syndicate members) on the applications made using 3-in-1 accounts would be ₹10 plus applicable taxes, per valid application bid by the Syndicate (including their sub- Syndicate members). Bidding charges payable to SCSBs on the QIB Portion and NIIs (excluding UPI Bids) which are procured by the Syndicate/sub-Syndicate/Registered Broker/RTAs/ CDPs and submitted to SCSBs for blocking and uploading would be ₹[●] per valid application (plus applicable taxes).

Bidding charges payable on the application made using 3-in-1 accounts will be subject to a maximum cap of ₹ [●] lakhs (plus applicable taxes), in case if the total processing fees exceeds ₹ [●] lakhs (plus applicable taxes) then processing fees will be paid on pro-rata basis for portion of Retail Individual Investors and Non-Institutional Investors, as applicable.

The selling commission and bidding charges payable to Registered Brokers, the RTAs and CDPs will be determined on the basis of the bidding terminal ID as captured in the bid book of BSE or NSE.

Selling commission/ bidding charges payable to the Registered Brokers on the portion for Retail Individual Investors and Non-Institutional Investor which are directly procured by the Registered Broker and submitted to SCSB for processing, would be as follows:

*Portion for Retail Individual Bidders^*	*₹ [●] per valid Bid cum Application Form (plus applicable taxes)**
*Portion for Non-Institutional Bidders^*	*₹ [●] per valid Bid cum Application Form (plus applicable taxes)**

** For each valid application.*

The Processing fees for applications made by Retail Individual Bidders or Individual investors bidding under the Non-Institutional Portion for an amount of more than ₹ [●] lakhs and up to ₹ [●] lakhs using the UPI Mechanism would be as follows:

[●]	*₹ [●] per valid Bid cum Application Form* (plus applicable taxes)* *The Sponsor Banks shall be responsible for making payments to the third parties such as remitter bank, NCPI and such other parties as required in connection with the performance of its duties under the SEBI circulars, the Syndicate Agreement and other applicable laws.*

** For each valid application.*

All such commissions and processing fees set out above shall be paid as per the timelines in terms of the Syndicate Agreement and Cash Escrow and Sponsor Bank Agreement.

Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public issuing (opening on or after September 1, 2022) shall be processed only after application monies are blocked in the bank accounts of investors (all categories). Accordingly, Syndicate / sub-Syndicate Member shall not be able to Bid the Application Form above ₹ 5 lakhs and the same Bid cum Application Form need to be submitted to SCSB for blocking of the fund and uploading on the Stock Exchange bidding platform. To identify bids submitted by Syndicate / sub-Syndicate Member to SCSB a special Bid-cum-application form with a heading / watermark "Syndicate ASBA" may be used by Syndicate / sub-Syndicate Member along with SM code and broker code mentioned on the Bid-cum Application Form to be eligible for brokerage on allotment. However, such special forms, if used for RIB and NIB bids up to ₹ 5 lakhs will not be eligible for brokerage.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/570 dated June 02, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and such payment of processing fees to the SCSBs shall be made in compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

SECTION V – ABOUT THE COMPANY

OUR BUSINESS

The following information shall be amended and/ or updated and/or added under the chapter titled "Business Overview" beginning from page 98 of the Draft Red Herring Prospectus:

A. OVERVIEW OF BUSINESS

Our company was originally incorporated and registered as a private limited company under Companies Act, 1956 in the name and style of Kabra & Malpani Jewels Private Limited vide certificate of incorporation dated July 21, 2010 was issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Pursuant to a resolution of our Board dated May 10, 2012 and a resolution of our shareholders dated June 07, 2012, the name of our company was changed to 'Kabra Jewels Private Limited' and a fresh certificate of incorporation dated June 28, 2012 was issued by Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Pursuant to a resolution of our Board dated April 15, 2024 and a resolution of our shareholders dated May 11, 2024, our Company was converted into a public limited company under the Companies Act, and consequently the name of our company was changed to 'Kabra Jewels Limited', and a fresh certificate of incorporation dated August 05, 2024 issued by Registrar of Companies, Central Processing Centre.

Our Company was founded in 2010 in the name and style of "KK Jewels" a proprietorship firm and it is the idea of Mr. Kailash Kabra, a first-generation jeweller. Mr. Kailash Kabra ventured into the world of gems and jewellery at a young age of 21 years. He is dedicated to the industry and aims to offer customers jewellery that represents Indian culture. Since the start, KK Jewels has focused on giving its customers a different shopping experience. KK Jewels is a brand that offers an exquisite collection of fine jewellery at a prominent location in Ahmedabad, Gujarat.

Our company operates in the retail jewellery sector, offering a diverse range of gold, diamond, and silver ornaments and our other offerings include gold and silver coins, utensils and other artifacts. Our Company, guided by our Promoters and their team, understands customer preferences and creates designs to meet their needs. Our primary expertise is in designing and we market our exclusive creations under the brand name "KK Jewels". We have a diverse product portfolio includes rings, earrings, pendants, bracelets, chains, necklaces, bangles and other wedding jewellery through which we cater a large number of customers. As on the date of this DRHP, Our Company has 6 showrooms under the brand *KK Jewels Bridal, KK Jewels Diamond, KK Jewels Silver, KK Jewels Gold, KK Jewels - Atarashi and KK Jewels - Silver Studio*, 3 offices and 1 exhibition centre located in the city of Ahmedabad. All of these showrooms are operated and managed by us, and has been taken on rental basis. For further details of our showrooms, office and exhibition centre refer section "*Our Business – Our Location*" on page no. *119*. The gold, diamond, and other jewellery in each of our showrooms match customer preferences and designs. Our main strengths are our focus on design and innovation, our understanding of consumer preferences and market trends, the detail in our designs, and the quality of our products.

The Showroom wise Sales breakup for the last three financial years is as follows:

(Rs. In Lakhs)

Sr. No.	Name of the Showroom	Commencement of Business	FY 2024	FY 2023	FY 2022
1.	KK Jewels Bridal and KK Jewels Diamond	August 05, 2010 and August 01, 2020	9,199.27	10,196.47	11,208.04
2.	KK Jewels Gold	August 01, 2020	3,551.51	-	-
3.	KK Jewels Silver	August 01, 2020	1,946.78	-	-
4.	KK Jewels – Atarashi	February 01, 2022	1,029.48	1044.78	-
5.	KK Jewels - Silver Studio	February 01, 2022	498.87	515.19	-
6.	KK Jewels – Gandhidham*	August 05, 2022	174.26	470.64	-
Total		**-**	**16,400.17**	**12,227.07**	**11,208.04**

*The showroom has been non-operational since April 01, 2024.

Our Company sells its diamond and gold jewellery in the brand name of "KK Jewels" and sells loose solitaire in the brand name of "Only Solitaires". We design, get it manufactured and sell a wide range of gold, studded and other jewellery products across various price points ranging from jewellery for special occasions, such as weddings, which is our highest-selling product category, to daily-wear jewellery. We engage local artisans to manufacture jewellery (based on our specifications and designs). We work with local artisans to make jewellery based on our designs that match local tastes in the markets we serve. This helps us create a product mix and store experience in each showroom. We outsource the work of making ornaments to various artisans with whom we have developed relationships. We offer a large variety of handcrafted jewellery, which are designed by our in-house designers and manufactured in close collaboration with skilled local craftsman. We have a dedicated design team which is focused on developing new products and designs that meet customers' requirements. We believe that our access to a range of contract manufacturers allows us to offer a diverse product range. We also customize jewellery for individual needs.

Our Business Model

1. We work under two types of business model:
   Model 1: Where we procure goods directly from vendor. (General Designs)
   Model 2: Where we customize jewellery on the basis of our in house specialized designs or on the basis of customer order. We select vendor or karigar on the basis of their expertise for jewellery to be manufactured.

   Please find below detail distinguish between Model 1 and Model 2:

Sr. No.	**Business Model No. 1** **Direct procurement of products**		**Business Model No. 2** **Customized manufacturing of products**
1	**Mode of purchase/ acquisition**		
	In this model, the jewellery is purchased/ acquired from reputed vendors.		In this model, designs developed by design department/ design submitted by customer is given to Artisan/ Karigar, who in turn manufactures the customised jewellery and is acquired by the company. Also, in case of specialised high end/ high value designs, developed by the company, the company approaches some reputed vendors/manufacturers, to supply/manufacture the jewellery, **exclusively for the company**, as per the design submitted by the company (either in house developed design or customer submitted picture/design). The
2	**Items under the Model**		
	Generalized design items like: • Chains • Rings • Pendants • Earrings • Bangles • Bracelets • Kadas • Set of small Necklaces containing Pendants & earrings (without chain) etc. where similar items or similar designed items may be available with other showrooms as well.		Customized jewellery which is specially designed (inhouse) or design submitted by customers like: • Set of jewellery containing all or any of the followings: - Necklace - Mang tikka - earrings -Bracelet - Kamarband (belly Chains) - Designer bangles - Bridal chura - Designer ring etc. mainly for special occasions like wedding, Housewarming, Baby shower or some other religious festivals/ events or special occasions etc.

Sr. No.	**Business Model No. 1** **Direct procurement of products**		**Business Model No. 2** **Customized manufacturing of products**
			The items acquired under this model are generally exclusive designed articles which are not being sold by other show rooms.
3	**Process of Purchase/ acquisitions**		
a.	Vendor salesperson visits our showroom/ office and shows us various jewellery to our purchase team, who in turn select the jewellery.	a.	Various designs are developed for various items (listed as above) by in house designers. Also, some time, pictures of design are provided by customers.
b.	The selected jewellery is also discussed with show room manager (to check existing stock as well as to check the saleability of the jewellery.	b.	The designs (developed in house) are discussed with Show room managers (to check the present trend of saleable designs, trend in fashion, as well as modification in the design)
c.	Final approval is given by Purchase head / director and then the jewellery is decided to be purchased based on terms finalised with vendor as to rate, payment terms etc.	c.	i. The design (as discussed in b hereinabove as finalised by team or as provided by customer) is discussed with artisan/ Karigar and detailed estimate as to: • Gold weight involved • Cost of Precious stones/ diamonds • Labour cost (making charge payable to Karigar) is prepared. ii. The detailed estimate is discussed with show room manager/ director as to saleability (in terms of value of the jewellery e.g. Design may be extremely good, but if the estimated cost is more than high and after adding the margin, if it is likely to be not saleable, the same design has to be rejected) iii. The jewellery as per finally approved design is ordered for supply/manufacturing to the artisan/ karigar or selected vendors and terms are finalised as to labour charges, value of stones etc. to be fixed, delivery time of jewellery etc. iv. In case of order being given to Artisan/ Karigar, Gold (bullion) involved in the design is given to the artisan/Karigar to manufacture mould as per the design. (In case of order being given to vendor, gold bullion may or may not be supplied, depending on terms with him.) v. The mould prepared by Artisan/ Karigar is inspected by the team to confirm with the approved design, which may check and suggest changes if any. (In case of order being given to Vendor, this step may or may not be involved) vi. If decided to supply at the time of order, The artisan / Karigar is provided with precious stones/ coloured stones / Diamonds etc. for fixing in the mould. vii. The finished jewellery supplied by artisan/ Karigar is inspected by purchase team and if

Sr. No.	Business Model No. 1 Direct procurement of products		Business Model No. 2 Customized manufacturing of products
			approved, polishing is carried out by artisan/Karigar. This step may or may not be required in case of designer jewellery acquired from the vendor, depending on the quality of the vendor.
d.	The selected jewellery is checked for weight, quality, required certifications etc.	d.	On delivery, the final jewellery is checked for weight, quality, required certifications etc.
e.	Finally, the purchased jewellery is entered into inventory register, barcoding is carried out and is either stored in locker or displayed in the showroom for sale.	e.	Finally, the jewellery supplied by artisans/ Karigar/ Vendors is entered into inventory register, barcoding is carried out and is either stored in locker or displayed in the showroom for sale. **OR** In case, the customised jewellery is obtained from artisans/ Karigar/ Vendors as per specific picture/ design submitted by customer, the jewellery is directly sold to the customer

The below table set forth the breakdown of number of engagement with vendors / karigars and the value of purchase from them for last three financial year:

Particulars	FY 2021-2022	₹ in Lakhs	FY 2022-2023	₹ in Lakhs	FY 2023-2024	₹ in Lakhs
Number of Vendors (model 1 & Raw materials)	212	2,998.69	350	4,169.96	1410	5,335.55
Number of Vendors (model 2) (Refer note 1)	182	5,831.72	206	7,933.16	255	7,709.51
Number of Job workers (Karigars) (model 2) (Refer note 2)	1	1,370.26	1	1,848.85	1	2,019.08
Total	**395**	**10,200.67**	**557**	**13,951.97**	**1666**	**15,064.14**

Note 1: The above job worker is given gold etc to make jewellery as per design provided by the company. However, when the company issues such gold etc., the invoice is raised on the above referred job worker so that inventory and GST records are maintained as per physical inventory lying in the company. When the above referred job worker, gives finished jewellery (as per the design provided to him), he raises invoice for full value of the jewellery to us which is accounted as purchase of jewellery by the company.

Similar practice is also done for vendors under model 2, if gold is given in advance, otherwise the vendor raises full value of jewellery (as per terms decided at the time of giving design to him) while delivering jewellery which is accounted as purchase of jewellery by the company.

Note 2: The Issuer Company operates seven retail showrooms within the same vicinity. In line with standard practices in the gems and jewelry industry, a single lead job worker is appointed for the entire process, from order creation to delivery, serving as the sole point of contact. This lead job worker oversees a team of various workers who report directly to him. The lead job worker takes responsibility for getting the work done by utilizing his own karigars or by hiring additional karigars as needed. Once the work is completed, he then issues an invoice to us or exchanges gold for gold used in the jewellery. Since we primarily coordinate with the lead job worker, who manages his own team, we have referred to him as a 'single job worker'.

Our Unique Selling Points

- Designing

A key factor in growing our brand has been our focus on innovation and offering unique designs. The designs for our jewellery are selected based on our market insights, study, customer research, recent preferences and trends and knowledge from the regions in which we operate. Our marketing team uses insights relating to customer preferences and trends that they gain through extensive market research, data analytics and customer feedback to develop a strategy and vision for new jewellery designs in line with these market trends and regional variations. We design our products based on customer needs and have established arrangements with various vendors and job workers who manufacture products on our behalf using our designs

Our Products

We sell a wide range of jewellery products in gold, diamond and silver category which are studded with precious and semi-precious stones. Our product offerings includes rings, earrings, pendants, nose rings, bracelets, chains, necklaces, bangles and customized jewellery for weddings. Each piece in our collection is made by skilled artisans, and we focus on creating unique designs that follow the latest industry trends. Our product portfolio consists standard and antique gold jewellery, gold jadtar jewellery, gold polki jewellery, gold kundan meena jewellery, real diamond jewellery, loose diamonds, solitaires and solitaire jewellery, as well as silver jewellery, silver utensils, and silver articles, lab grown diamond jewellery, rose gold jewellery, platinum jewellery, men's accessories jewellery etc.

Our wide range of products serves different customer groups. At KK Jewels, we understand that each customer is different, so we offer a variety of designs.

We believe that the gold, diamond and other jewellery inventory in each individual showroom reflects regional customer preferences and designs. Some photos of our finished products are presented below:"

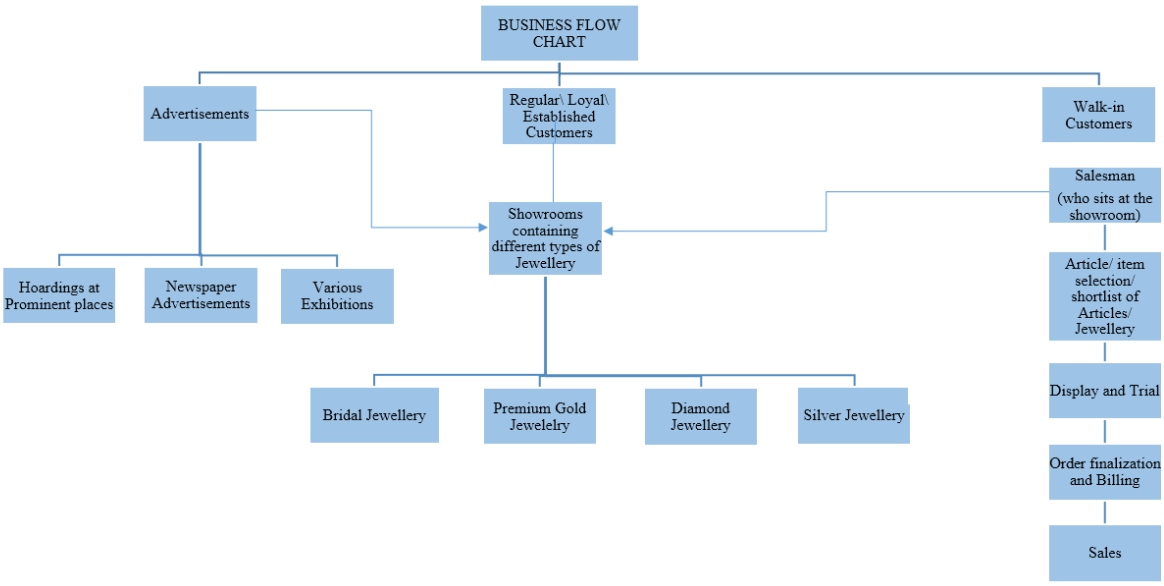
Our Business Process

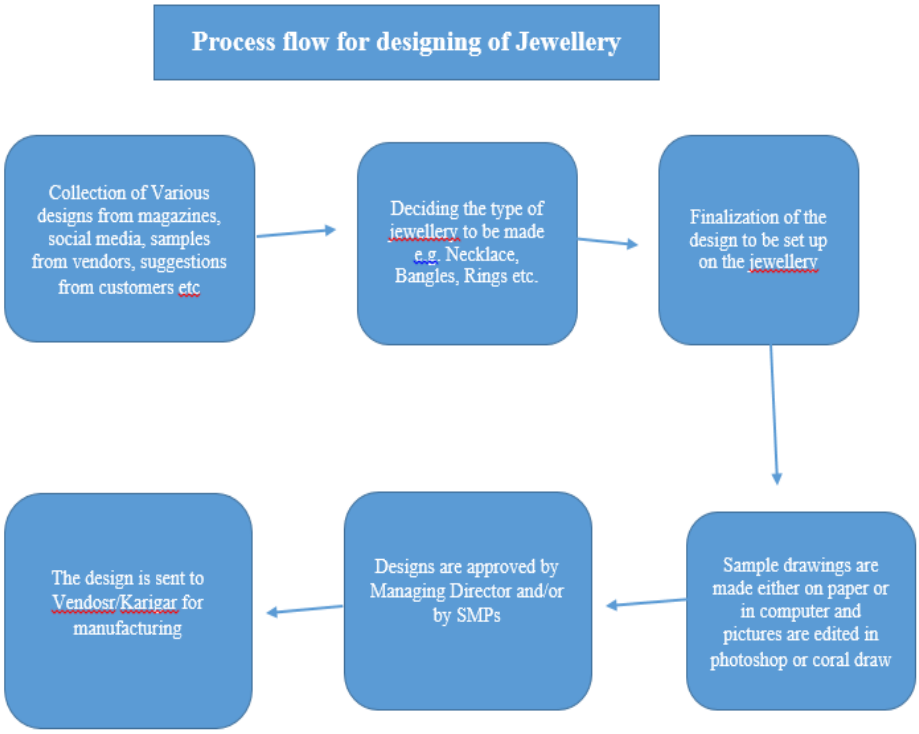
With over fifteen years of experience, supported by our Promoters extensive background in the jewellery industry, we have developed an effective business model. Our unique proposition lies in our complete control over the entire value chain.

On the demand side, we sell our products through six retail showrooms under the "KK Jewels" brand, located in Ahmedabad, directly serving end consumers in Gujarat. On the supply side, we have an in-house design process that is highly flexible and customizable. This robust process begins with thorough market research, followed by theme development, form layout creation, and meticulous crafting of each jewellery element to achieve the desired finish and designs. Our commitment to constant innovation and unique designs has been a key pillar in growing our brand. Additionally, we work with a network of skilled external artisans to meet specific customer requirements and acquire certain offerings for our silver jewellery retail showroom directly from other vendors on a trading basis.

Our company operates through a streamlined process where we collaborate closely with trusted vendors and job workers, with whom we maintain long-term relationships. Our job workers and vendors handle various stages of the manufacturing process, including procuring of raw materials, casting, polishing, and stone setting, while adhering to our stringent quality standards. This collaborative approach ensures efficient production, optimal cost management, and the consistent delivery of superior jewellery pieces to our customers.

Business Flow Chart





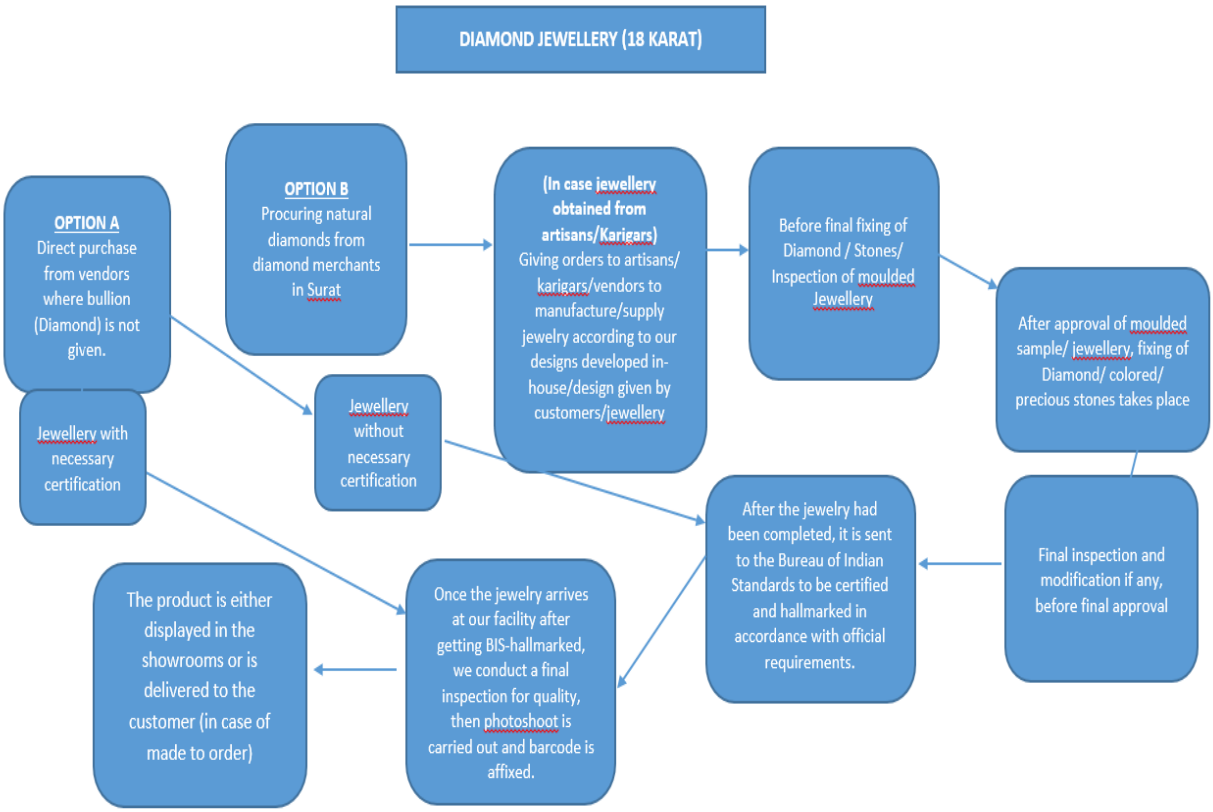
The Company ensures that it does not violate any existed copyrighted designs by the following methods:

1. Conduct Copyright Audits and Searches:
   The company conducts audits and searches of existing copyrighted designs, trademarks, and intellectual property to ensure no infringement occurs.
2. Educate Design Teams:
   Regularly training the designers on the importance of respecting copyright, patent, and trademark laws. Ensure they understand how to distinguish between original creations and works that may already be protected.
3. Promoting Awareness of IP Rights:
   The company encourages designers to create unique, original designs while being mindful of existing IP rights.
4. Stay Updated on IP Developments:
   Awareness of updates or new design registrations in the jewellery industry to ensure the company's designs are not similar to newly registered designs that may have copyright or patent protection.

However, there can be a risk that the Company may inadvertently develop a design already registered by a Third Party. For further details kindly refer Risk Factor No. 18 on page 32 of the DRHP.

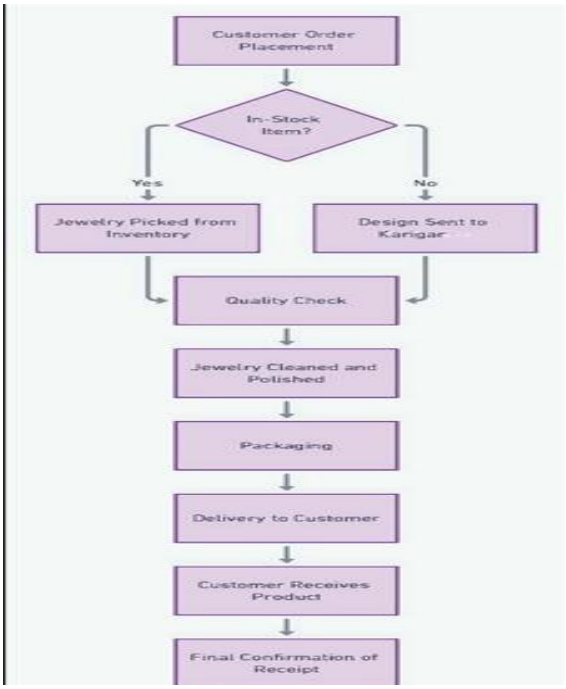
Order-to-Delivery Process Flowchart Process for Gold Jewellery (22 Karat)

Order-to-Delivery Process Flowchart for Diamond Jewellery (18 Karat)



NOTE:
The vendor/Karigar either uses their own gold bullion or we supply the bullion to them. They then manufacture the jewellery based on designs we provide, which may be developed in-house or suggested by customers. Once the jewellery is completed, they either issue a sales invoice to us or exchange gold for gold used in the jewellery.

Jewellery Shop Order-to-Delivery Process Flowchart:



Here's a more detailed elaboration of each step in the jewellery order process:

1. Customer Order Placement

Customer Browses Inventory (In-store or Online): Customers can view the available jewellery pieces physically in the showroom. They can use search by categories like type (rings, necklaces, etc.), material, or price range.
Customer Selects Jewellery Piece or Customizes a Design: Once the customer finds a piece they like, they can either choose it as is or opt for customization. Customization might involve selecting specific gemstones, adjusting sizes, or altering design elements.
Customer Places an Order: The customer proceeds to place the order by providing necessary details, such as their contact information and delivery address.
Payment is initiated: Customers are provided with choice to pay the full amount upfront or pay a partial deposit to secure their order. Various payment methods may be available, including credit/debit cards or cash.

2. Order Confirmation

Sales Team Confirms Order Details (Design, Size, personalization): The sales team reviews the order to ensure all details are correct. They may contact the customer for any clarifications or confirmations regarding the chosen design, size, and any personalized elements.
Payment is confirmed (Credit/Debit, Cash): The payment is processed and confirmed. If payment is made online, a verification process occurs to ensure the transaction is secure.
A Receipt or Invoice is generated: Upon successful payment, a digital or printed receipt/invoice is generated and sent to the customer, detailing the order specifics, payment method, and any other relevant information.
Order is moved to Processing: The order status is updated in the system, and it is moved to the processing stage, indicating it is ready for the next steps.

3. Order Processing For In-stock Items:

Jewellery is picked from Inventory: The order is fulfilled by locating the selected piece in the inventory. Staff members retrieve the item and prepare it for quality check and packaging.
For Custom Designs:

Design Specification is sent to Karigars: If the customer opted for a custom piece, the design specifications, including details like measurements, materials, and any specific requests (after detailed discussion with the design team), are forwarded to skilled artisans (karigars) for manufacturing.

4. Quality Check

Conducted as per Industry Standard: A thorough quality check is performed to ensure the jewellery meets industry standards. This includes inspecting the craftsmanship, checking for defects, and verifying the authenticity of materials used. Each piece is evaluated to ensure it meets the company's quality benchmarks.

5. Packaging

Jewellery is Cleaned and Polished: After passing the quality check, the jewellery is cleaned and polished to enhance its shine and appearance.
Additional Documents Included (Certificate of Authenticity, Warranty, etc.): The final package includes essential documents such as a certificate of authenticity for gemstones and metals, warranty information, and care instructions, ensuring the customer understands the value and care for their purchase.

6. Delivery to Customer

Delivery Completed: The packaged jewellery is then prepared for delivery. Depending on the customer’s choice, it may be delivered to their address or arranged for in-store pickup.
Customer Receives the Product: The customer receives the jewellery package, either through delivery or at the store, ensuring they have access to the product they ordered.
Final Confirmation of Receipt: Upon receiving the product, the customer may be asked to confirm receipt by signing a delivery confirmation, completing the transaction process.

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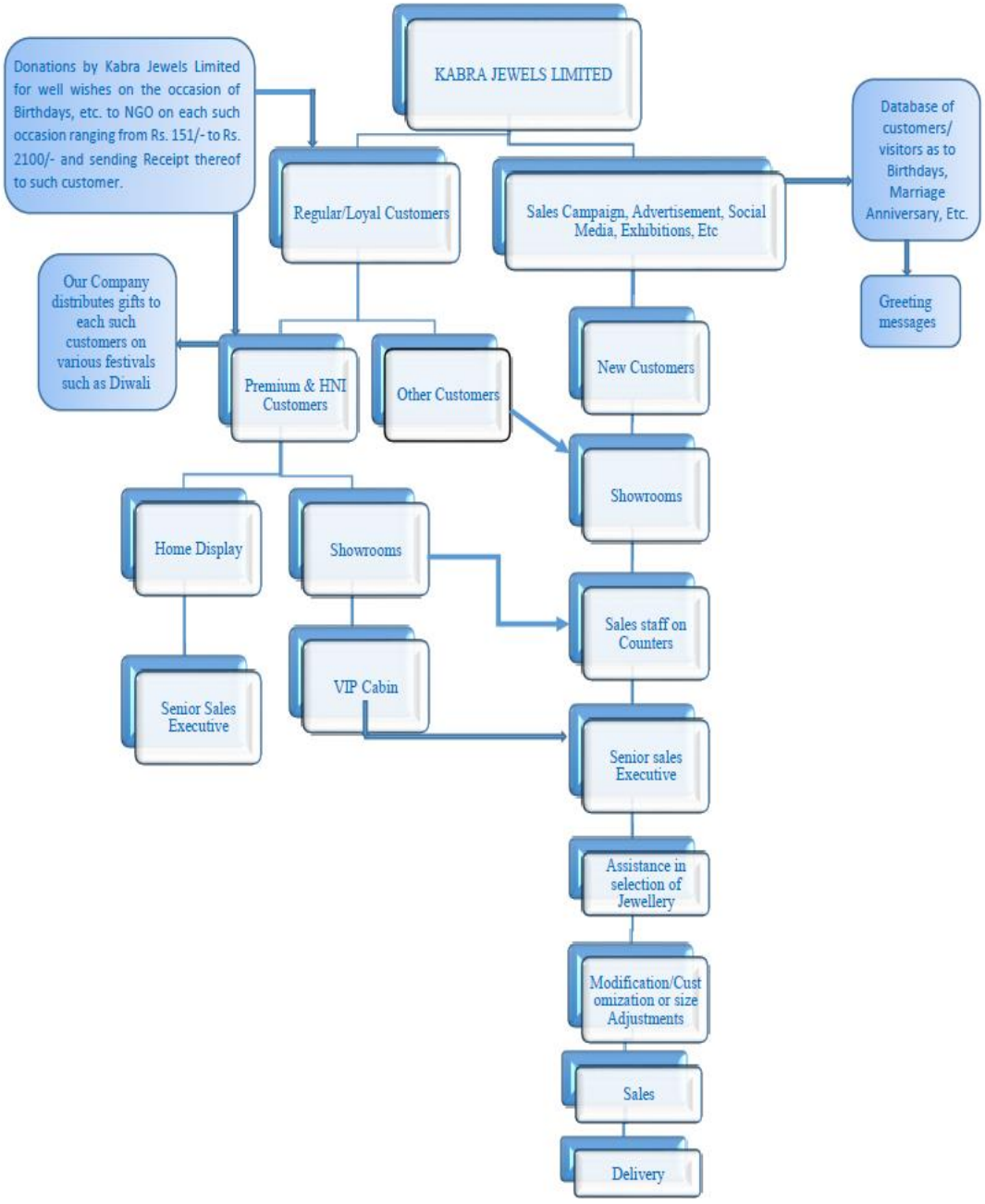
Our Customer Acquisition process

Flowchart of Customer's Acquisition



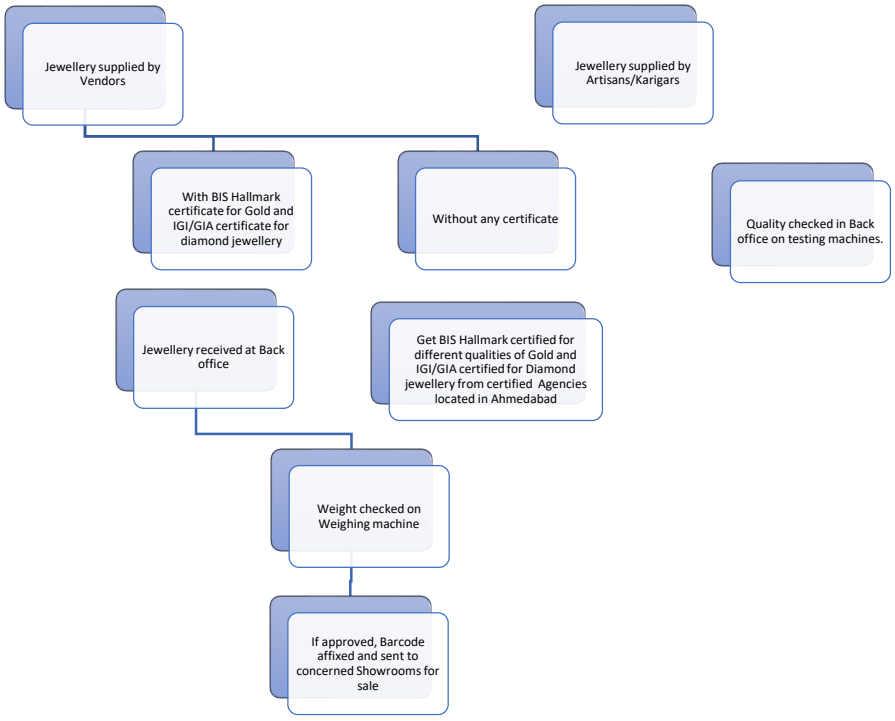
In addition to our business endeavours, we are deeply committed to giving back through charitable efforts. We have a database of around 2,000 clients, and on their birthdays, we make a donation to Jivdaya Charitable Trust on their behalf. The donation amounts vary from Rs. 151/- to Rs. 2100/- depending on the client. We then share the donation receipt along with a personalized message with them. Over the past three financial years, this initiative has allowed us to donate Rs. 30.71 lakh to Jivdaya Charitable Trust. This gesture has been warmly appreciated by our clients, as it not only fosters goodwill but also supports a meaningful cause. Please find below the details of donations made during the last three financial year.

Name of the Trust	2023-2024	2022-23	2021-22
Jivdaya Chairtable trust (Amount in Rs.)	11,68,613	11,19,911	7,81,979

Quality Check

Quality is one of the most important aspects in our business. As our products are manufactured by our vendors or third party job workers, it is imperative that we implement quality check and control processes at each level of manufacturing and sales to ensure that the products we sell are of the best quality and in line with the required standards as prescribed by the regulatory authorities. After the hallmark process is completed by the recognised hallmarking agencies in accordance with the prescribed BIS norms, we also process the same through our internal quality control checks to ensure authentication. If a product does not match the prescribed quality standard, the same will be returned to the job worker/vendor for necessary alterations to ensure that it meets the due quality standards. We believe our commitment to stringent quality control has been critical to our success in the jewellery industry and has contributed to customers associating our brand with trust, transparency and high quality of products.

Quality Check process for Gold/Diamond Jewellery



There have been no such instances or failure over the past three financial years where the gold and diamond jewellery articles failed to pass the quality checks.

If the Company possesses jewelry without a Hallmark or Certification, it is sent to the appropriate authorities for Hallmarking. For diamond jewelry, the Company sends the items to the International Gemological Institute for Certification

Information Technology Infrastructure

Maintaining the safety of a jewelry showroom is essential for protecting valuable items and ensuring a secure environment for staff and customers. Key security measures include access control systems, CCTV surveillance, secure display cases, and safe storage for high-value items. Inventory management is facilitated by unique item identifiers and barcode tracking. The Company uses Ornate software for accounting and inventory management, equipped with firewall and antivirus protection, and OrangeHRM software to manage payroll and HR details, ensuring secure data handling and operational efficiency. The data maintained through this softwares are owned by the Company.

Raw Material

Type of Raw Materials used by the Issuer Company is as follows:

1. Gold Bars
2. Loose Diamonds, Polished Diamonds and Solitaires
3. Loose semi-precious and precious stones.

The breakup of purchase is as follows:

(Rs. In Lakhs)

Sr No.	Particulars	FY 2021-22	FY 2022-23	FY 2023-24	30/09/2024
	Raw Material				
1	Bullion	1,346.60	691.11	1,483.48	699.15
2	Diamond Jewellery	239.92	254.84	188.20	-
3	Loose Diamonds	863.64	1,359.62	1,122.11	314.64
4	**Under Business Model 1** Jewellery (General Items)	541.81	669.11	742.66	566.96
5	**Under Business Model 1** Silver (Incl. Articles, Utensils and Coins)	6.72	1,195.27	1,799.10	500.28
6	**Under Business Model 2** Customised Jewellery (As per Design)				
	- From Vendors*	5,831.72	7,933.16	7,709.51	4,629.95
	- From Artisans/Karigar*	1,370.26	1,848.85	2,019.08	1,242.08
TOTAL		**10,200.67**	**13,951.97**	**15,064.14**	**7,953.06**

*The above job worker is given gold etc to make jewellery as per design provided by the company. However, when the company issues such gold etc., the invoice is raised on the above referred job worker so that inventory and GST records are maintained as per physical inventory lying in the company. When the above referred job worker, gives finished jewellery (as per the design provided to him), he raises invoice for full value of the jewellery to us which is accounted as purchase of jewellery by the company.

Similar practice is also done for vendors under model 2, if gold is given in advance, otherwise the vendor raises full value of jewellery (as per terms decided at the time of giving design to him) while delivering jewellery which is accounted as purchase of jewellery by the company.

The breakup of inventory is as follows:

(Rs. In Lakhs)

Sr. No.	Name of the Product	31/03/2022	31/03/2023	31/03/2024
1	**Raw Material**			
	Gold Bars	257.69	78.22	401.25
	Diamond and Solitaires	134.02	106.93	166.72
	Loose Stones	2.98	2.86	2.10
	Total (A)	**394.69**	**188.01**	**570.07**

Sr. No.	Name of the Product	31/03/2022	31/03/2023	31/03/2024
2	**Customized Jewellery - Manufactured (Business Model 2)**			
	Gold Jewellery	2,184.15	3,848.04	4,983.25
	Diamond Jewellery	1,020.14	1,783.56	1,853.68
	Platinum and Mix Jewellery	38.61	98.43	109.76
	Total (B)	**3,242.90**	**5,730.03**	**6,946.69**
3	**Traded Goods (Business Model 1)**			
	Gold Jewellery	1,102.33	1677.13	2,082.85
	Diamond Jewellery	514.86	777.35	774.78
	Silver articles	23.08	877.23	1,110.05
	Platinum and Mix Jewellery	9.31	31.97	38.31
	Total (C)	**1,649.58**	**3,363.68**	**4,005.98**
	Total (A) + (B) + (C)	**5,287.17**	**9,281.72**	**11,522.74**

Maintaining the safety of a jewelry showroom is essential for protecting valuable items and ensuring a secure environment for staff and customers. The company has assigned security guards appointed by security agencies for safety and security of the showroom.

Key security measures include access control systems, CCTV surveillance, secure display cases, and safe storage for high-value items. At the end of every day, the inventory at the showroom is shifted to a strong room within the showroom. Inventory management is facilitated by unique item identifiers and barcode tracking. The Company uses ornate software for accounting and inventory management, equipped with firewall and antivirus protection, ensuring secure data handling and operational efficiency. The data maintained through this software is owned by the Company.

The geographic locations from where such raw materials are procured for the last three financial year is as follows:

Sr. No.	Particulars	DETAILS FOR PURCHASE OF RAW MATERIALS								
		F.Y. 21-22			F.Y. 22-23			F.Y. 23-24		
		Location	State	Amount (Rs. In Lacs)	Location	State	Amount (Rs. In Lacs)	Location	State	Amount (Rs. In Lacs)
1	Bullion	Mumbai	Maharashtra	55.83	Ahmedabad	Gujarat	691.11	Mumbai	Maharashtra	69.75
		Ahmedabad	Gujarat	1,279.61	-	-	-	Ahmedabad	Gujarat	1,411.23
		Srinagar	Jammu & Kashmir	11.15	-	-	-	Delhi	Delhi	2.50
Total (A)		**-**	**-**	**1,346.60**	**-**	**-**	**691.11**	**-**	**-**	**1,483.48**
2	Loose Diamond, Solitaires & Stones	Surat	Gujarat	83.68	Surat	Gujarat	264.18	Surat	Gujarat	384.88
		Mumbai	Maharashtra	779.96	Mumbai	Maharashtra	948.14	Mumbai	Maharashtra	737.23
		-	-	-	-	Rajasthan	147.30	-	-	-
Total (B)		**-**	**-**	**863.64**	**-**	**-**	**1,359.62**	**-**	**-**	**1,122.11**
Grand Total (A+B)		**-**	**-**	**2,210.24**	**-**	**-**	**2,050.73**	**-**	**-**	**2,605.59**

Human Resources

We believe that our employees are key contributors to our business success and its ability to maintain growth depends to a large extent on our strength in attracting, training, motivating and retaining employees. We focus on attracting and retaining the best possible talent. Our Company looks for specific skill-sets, interests and background that would be an asset for our kind of business.

As on July 31, 2024, our Company has employed 128 employees at various levels of the Organization. Department wise bifurcation of the employees is provided below:

Sr. No.	Department	No. of Employees
1.	Accounts and Finance Team	15
2.	HR & Admin	9
3.	Management	5
4.	Manager	7
5.	Sales and Marketing	37
6.	Design Team	4
7.	Purchase Department	10
8.	Office Boys & Delivery Persons	41
Total		128

Competition

We face competition from both the organized and unorganized sectors of the jewellery retail business. We compete with our competitors on a regional or product line basis. Many of our competitors have substantially large capital base and resources than we do and offer broader range of products. We believe that the principal factors affecting competition in our business include client relationships, reputation, the abilities of employees, market focus and the relative quality and price of the services and products. We face competition from listed Companies like DP Abhushan Limited, RBZ Jewellers Limited and Motisons Jewellers Limited.

Insurance

As on date of this DRHP, all our employees are covered by accidental insurance. Further our Company has availed following insurance policies:

Sr. No.	Name of the Insurance Company	Validity period	Policy No.	Sum Insured (₹)	Description of cover under the policy
1	IFFCO - TOKIO General Insurance Company Limited	12/08/2024to 11/08/2025	48047699	1,61,00,00,000	Stock Insurance and Jewellers Block Protector Policy
2	Zuno General Insurance Limited	01/11/2023 to 31/10/2024	900562981	6,37,200	Vehicle Insurance
3	Zuno General Insurance Limited	21/01/2024 to 20/01/2025	900609600	4,05,000	Vehicle Insurance

4.	ICICI Lombard	01/06/2024 to 30/06/2025	3001/349245142/00/000	30,00,000	Vehicle Insurance
5.	Zuno General Insurance Limited	12/04/2024 to 11/04/2025	900653214.	5,32,665	Vehicle Insurance
6.	TATA AIG General Insurance Company Limited	30/11/2023 to 29/11/2024	6202221427 00 00	6,01,958	Vehicle Insurance
7.	Zuno General Insurance Limited	22/04/2024 to 21/04/2025	900656505	5,32,665	Vehicle Insurance
8.	HDFC ERGO General Insurance Company Limited	02/05/2024 to 01/05/2025	2302 2063 7788 3300 000	19,63,500	Vehicle Insurance
9.	ICICI Lombard	29/06/2024 to 28/06/2025	3001/O/348632143/00/000	66,00,000	Vehicle Insurance
10.	LIBERTY General Insurance Limited	04/012024 to 03/01/2025	2011400201237035656 00 000	17,00,000	Vehicle Insurance
11.	HDFC ERGO General Insurance Company Limited	21/03/2024 to 20/03/2025	2302 2053 0946 2800001	45,00,000	Vehicle Insurance

Our Location

Name of the Related Party	**Relationship with the Issuer Company**	**Detail of Transaction**	**Whether the transaction is on arm's length basis or not**
Kailash Kabra	Promoter and Managing Director	Executed Leave and License agreement between Kabra Jewels Private Limited and Kailash Kabra for 9 years commencing from April 01, 2018 to March 30, 2027 at a monthly rent of Rs. 3,94,498/-	Yes. The transaction is on Arm's Length Basis.

OUR MANAGEMENT

The following information shall be amended and/ or updated and/or added under the chapter titled "Our Management" beginning from page 134 of the Draft Red Herring Prospectus:

Brief Profile of Directors of our Company:

Kailash Kabra aged 39 years is the Managing Director and Promoter of the Company. He has completed his higher education from St. Xaviers School, Loyola Hall, Ahmedabad. He has been associated with the Issuer Company since its inception in the year 2010. He has 14 years of experience working with the Issuer Company in the Gems and Jewellery industry. He is responsible for managing diverse purchases, ranging from jewellery selections sourced from various vendors to strategic marketing planning and budgeting.

Jyothi Kabra aged 37 years is the Executive Director and Promoter of the Company. She holds a diploma degree in Interior Designing from Jain School of Interior Design, Bangalore. She has been associated with the Issuer Company since the year 2012.She has 12 years of experience working with the Issuer Company in the Gems and Jewellery industry. She is responsible for jewellery selection and design.

Indira Suresh Vora aged 48 years is the Non-executive Independent director of the Company. She is a qualified Chartered Accountant from the Institute of Chartered Accountants of India. She has over 7 (seven) years of professional experience. Prior to her appointment in our company as an independent director she was associated with LIC of India as an Assistant Administrative Officer. She was employed as a Chartered Accountant (MMG Scale-III) in credit department in Corporation Bank. She has also worked with Union Bank of India as a Chief Manager. She was appointed as an Additional Director on the Board of our Company with effect from April 06, 2024 and has been re-appointed by the Shareholders as a Director at the Extra-Ordinary General Meeting held on August 13, 2024.

Hetal Karshanbhai Vaghela aged 31 years is the Non-executive Independent director of the company. She is a qualified Company Secretary from the Institute of Company Secretary of India. She has over 3 (three) years of professional experience. Prior to her appointment in our company as an independent director she was associated with Abhishek Integration Limited as Company Secretary and Compliance Officer. She was appointed as an Additional Director on the Board of our Company with effect from June 11, 2024 and has been re-appointed by the Shareholders at the Extra-Ordinary General Meeting held on August 13, 2024.

Changes in Board of Directors in Last 3 Years

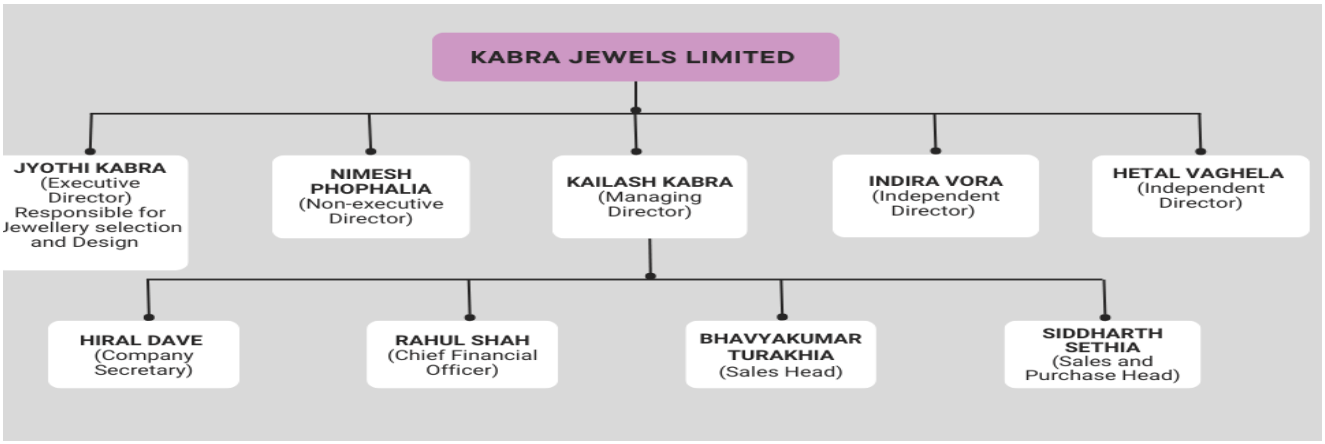
Except as mentioned below, there have been no changes in our Directors in the last three years:

Name of the Director	Date of Change	Reason
BhavyaKumar Dineshbhai Turakhia	November 25, 2021	Appointment as an additional Executive Director
Siddharth Karanisingh Sethia	November 25, 2021	Appointment as an additional Executive Director
Rachana Amit Maheshwari	November 25, 2021	Appointment as an additional Executive Director
Rupalbhai Ashokbhai Shah	November 25, 2021	Appointment as an additional Executive Director
BhavyaKumar Dineshbhai Turakhia	May 26, 2022	Cessation as an additional Executive Director due to his pre-occupation.
Siddharth Karanisingh Sethia	May 26, 2022	Cessation as an additional Executive Director due to his pre-occupation.
Rachana Amit Maheshwari	May 26, 2022	Cessation as an additional Executive Director due to her pre-occupation.
Rupalbhai Ashokbhai Shah	May 26, 2022	Cessation as an additional Executive Director due to his pre-occupation.

Nimesh Puranprakash Phophalia	April 01, 2024	Appointment as an additional Non-Executive Non-Independent Director*
Kailash Kabra	April 01, 2024	Appointment as Managing Director
Palak Malviya	April 01, 2024	Appointment as an additional Independent Director
Indira Suresh Vora	April 06, 2024	Appointment as an additional Independent Director *
Ila Sunil Trivedi	May 09, 2024	Appointment as an additional Independent Director
Palak Malviya	May 09, 2024	Cessation as an additional Independent Director due to her pre-occupation.
Ila Sunil Trivedi	June 11, 2024	Cessation as an additional Independent Director due to her pre-occupation.
Hetal Karshanbhai Vaghela	June 11, 2024	Appointment as an additional Independent Director*

MANAGEMENT ORGANISATION STRUCTURE

The following chart depicts our Management Organization Structure:



Attrition of Employees and Turnover of KMPs

Attrition of Employees				
Sr. No.	**Particulars**	**FY 2021-22**	**FY 2022-23**	**FY 2023-24**
1	Employees at the Beginning of the Year	83	96	100
2	Employees who joined during the year	13	24	44
3	Employees who left during the year	-	(20)	(18)
	Employees at the end of the year	**96**	**100**	**126**
	Attrition Rate %	**0.00**	**20.41**	**15.93**
	Employees who left during the year	-	20	18
	Average number of Employees during the year	89.5	98	113

Calculated as = (Number of employees exited during the year/ divided by average number of employees during the year) * 100. Wherein average number of employees is calculated by adding the number of employees at the beginning of the year and at the end of the year and then dividing the same by 2.

The KMPs of the Company were appointed in the current financial year i.e., 2024-25 hence, the turnover of KMPs is not applicable.

SECTION VI- FINANCIAL INFORMATION OF THE COMPANY

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following information shall be amended and/ or updated and/or added under the chapter titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning from page 186 of the Draft Red Herring Prospectus:

FACTORS AFFECTING OUR RESULT OF OPERATIONS

Except as otherwise stated in this Draft Red Herring Prospectus, the following important factors could cause actual results to differ materially from the expectations include, among others:

i. General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies.
ii. We may not be able to sustain our historical growth rates, and our historical performance may not be indicative of our future growth or financial results.
iii. The business or financial condition of our customers or the economy generally, or any developments in the Jewellery sector in macro- economic factors, which may affect the rate of growth and the demand for our products;
iv. Any change in government policies resulting in increases in taxes payable by us.
v. We have entered into related party transactions in the past and may continue to do so in the future.
vi. Our ability to retain our Key Management Personnel and other employees.
vii. Changes in laws and regulations that apply to the industries in which we operate.
viii. Company's ability to successfully implement its growth strategy and expansion plans.
ix. Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate.
x. Conflicts of interest with the promoter group and other related parties.
xi. Failure to successfully upgrade our product portfolio, from time to time.
xii. Maintaining our brand image and catering to changing consumer preferences.
xiii. We may face significant competition in our business. An inability to compete effectively may lead to loss of business or reduced operating margins.
xiv. Price of raw materials procured by job workers and vendors
xv. Change in taste and preference of consumers

Financial year 2024 compared with financial year 2023

Revenue from Operations

During the financial year 2023-24 the net revenue from operation of our Company increased to ₹ 16,400.17 Lakhs as against ₹ 12,227.07 Lakhs in the financial year 2022-23 representing an increase of 34.13% which was due to increase in the volume of sale of products by the Company.

In the FY 21-22, the company was having sales of Rs. 11,208.04 lakhs from 2 showrooms. In FY 2022-23, the company had started operations in 5 showrooms in total which led to increase in sales to Rs. 12,227.07 lakhs. With full operations of these showrooms and addition of 2 more showrooms (7 in total), revenue from operations increased to Rs. 16,400.17 lakhs in FY 2023-24. An uptick in consumer spending, driven by improving economic conditions, higher disposable incomes, and rising purchasing power, often results in more discretionary spending on luxury items like jewellery. This directly translates into higher revenue.

Restated profit after tax (PAT)

As a result of the foregoing factors, our profit after tax for the year increase by ₹ 113.27% from net profit of ₹ 939.64 Lakhs in financial year 2023-24 to net profit ₹ 440.58 lakhs in financial year 2022-23.

Particulars	FY 2021-22	FY 2022-23	FY 23-24
Revenue from Operations	11,208.04	12,227.07	16,400.17
Cost of Material Consumed (A)	10,200.67	13,951.97	15,064.14
Change in Inventories (B)	(886.80)	(3,994.54)	(2,241.02)
Effective cost of material consumed (A + B)	**9,313.86**	**9,957.43**	**12,823.12**
Effective cost of material consumed to Sales	**83.10%**	**81.44%**	**78.19%**
PAT	540.46	440.58	939.64
PAT Margin (%)	4.82	3.60	5.73
No. of Showrooms	2	5	7

Rationale for Increase in PAT and PAT Margin

a) The company opened three dedicated showrooms during the financial year 2022-23 and two new showrooms in the financial year 2023-24.
b) The effect of opening dedicated showrooms enabled the company to satisfy the demand of various segments of customers (both high-end and low-end value customers) resulting in a change in product mix and customer mix of the jewellery sold. Thereby, increase in sale of high-end products with focus towards bridal products led to increase in PAT and in turn PAT margin.
c) Due to the above change in the product mix and customer mix, the cost of raw material {(cost of material consumed+ change in inventories)/Sales} reduced from 81.44% in the financial year 2022-23 to 78.19% in the financial year 2023-24. This resulted in a direct increase in PAT to the tune of Rs. 4.99 crore in FY 2023-24 as compared to FY 2022-23, resulting in an overall PAT of Rs. 9.40 crores.

PAT Margin

Due to aforementioned reasons the PAT Margin of the Company increased from 3.60 in FY 2023 to 5.73 in FY 2024.

SECTION VII – LEGAL AND OTHER INFORMATION

GOVERNMENT AND OTHER APPROVALS

Registrations related to Labour Laws:

Sr. No.	Description	Address	License Number	Issuing Authority	Date of Issue	Date of Expiry
1.	Registration under Employees State Insurance Act, 1948	Shop No. 6, Iskon Centre, Shivranjani Cross Road, Satellite, Ahmedabad, Gujarat - 380015, India.	37001025910001002	Employees' State Insurance Corporation	January 31, 2013	Valid till Cancelled
2.	Registration under the Employees Provident fund (EPF)	Shop No. 6, Iskon Centre, Shivranjani Cross Road, Satellite, Ahmedabad, Gujarat - 380015, India.	GJAHD1684450000	Employees' Provident Fund Organization	January 25, 2018	Valid till Cancelled
3.	Registration under Gujarat Shops & Establishments Act,2019	Shop No. 6, Iskon Centre, Shivranjani Cross Road, Satellite, Ahmedabad, Gujarat - 380015, India.	PII/SHVRNJS/10099/0276720 (Shivaranjani Society)	Department of Labour, Gujarat	April 06, 2023	April 05, 2028
4.	Registration under Gujarat Shops & Establishments Act, 2019	Shop No. 9, 11, 106, 206, 210 Iskon Centre, Shivranjani Cross Roads, Satellite, Ahmedabad Gujarat - 380015, India.	PII/SHVRNJS/10177/0278893 (SHIVRANJANSOCIETY)	Ahmedabad Municipal Corporation	June 20, 2024	June 19, 2029
5.	Registration under Gujarat Shops & Establishments Act,2019	Retail Plaza 104, 109, 112, 208, One 42 Building, Ambali Bopal Road, Ahmedabad, Gujarat -380054, India	PII/ GRDW/ 4000986/ 0277555 (GURUDWARA)	Amdavad Municipal Corporation Shops and Establishment Department	September 15, 2023	September 14, 2028

OUR GROUP COMPANY

Details of our Group Companies

1. Maya Texturisers Private Limited

Corporate Information:

Maya Texturisers Private Limited having CIN U17119GJ1990PTC014724 was incorporated on March 12, 1990. The registered office of the company is situated at 3, Rajesh Apartments, Behind navgujarat College, Ashram Road, Ahmedabad - 380014, Gujarat, India

Financial Information:

Certain financial information derived from the audited financial statements of Maya Texturisers Private Limited for Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022, as required by the SEBI ICDR Regulations, is available on our website at https://kkjewels.org/.

The Shareholding Pattern as on March 31, 2024 is as follows:

Sr. No.	Name of the Shareholders	No. of Equity Shares held	Percentage of shareholding (%)
1	Shri Varun Krishna Awtar Kabra	1,03,000	22.17
2	Shri Kailash Satyanarayan Kabra	42,500	9.15
3	Miss Poonam Satyanarayan Kabra	67,000	14.42
4	Shri Shyamsunder Badrinarayan Kabra HUF (Through Shyamsunder Kabra as Karta)	4,000	0.86
5	Shri Krishna Awtar Jagannath Kabra HUF (Through Krishna Awtar Kabra as Karta	5,900	1.27
6	Shri Krishna Awtar Jagannath Kabra	1,010	0.22
7	Shri Badrinarayan shrikrishan Kabra HUF (Through Bankatlal Kabra as Karta)	4,500	0.97
8	Shri Satyanarayan Kabra HUF (Represented by Karta Satyanarayan Kabra)	50	0.01
9	Shri Satyanarayan Kabra	94,220	20.28
10	Shri Lalitkumar Somani	1,000	0.22
11	Shri Kamal Kishor Somani	1,000	0.22
12	Rajesh Sukhdev Somani	l,000	0.22
13	Rajesh Manish Associates Pvt. Ltd.	27,000	5.81
14	Kabra Commercial Ltd.	30,000	6.46
15	Nirajkumar Maheshwari HUF	47,000	10.11
16	Niraj Kumar Maheshwari	35,500	7.46
	Total	**4,64,680**	**100**

2. Disha Resources Limited

Corporate Information:

Disha Resources Limited having CIN L74110GJ1995PLC024869 was incorporated on March 06, 1995. The registered office of the company is situated at 3, Rajesh Apartment, B/H, Ajanta Commercial Estate off Ashram Road, Ahmedabad - 380014, Gujarat, India.

Financial Information:

Certain financial information derived from the audited financial statements of Disha Resources Limited for Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022, as required by the SEBI ICDR Regulations, is available on our website at https://kkjewels.org/

Shareholding Pattern:

M/s. Disha Resources Limited is a BSE Listed Company and the link to access the latest shareholding pattern of the Company can be viewed from below:

https://www.bseindia.com/stock-share-price/disha-resources-ltd/drl/531553/shareholding-pattern/

DECLARATION

We hereby declare that, all the relevant provisions Companies Act, 2013 and the rules, guidelines and regulations issued by the Government of India or the regulations/ guidelines issued by Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013 (to the extent notified), the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations/ guidelines issued, as the case may be. We further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNATURE BY ALL THE DIRECTORS OF OUR COMPANY

Name of the Directors	Signature
Kailash Kabra **Designation:** Managing Director **DIN:** 03135234	**Sd/-**
Jyothi Kailash Kabra **Designation:** Executive Director **DIN:** 05272817	**Sd/-**
Nimesh Puranprakash Phophalia **Designation:** Non-Executive Non-Independent Director **DIN:** 10574019	**Sd/-**
Indira Suresh Vora **Designation:** Non-Executive Independent Director **DIN:** 10581630	**Sd/-**
Hetal Karshanbhai Vaghela **Designation:** Non-Executive Independent Director **DIN:** 10655242	**Sd/-**

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

Rahul Jitendrakumar Shah **PAN:** ASEPS6101L	**Sd/-**

SIGNED BY THE COMPANY SECRETARY & COMPLIANCE OFFICER

Hiral Ishan Dave **PAN:** BQWPS7430R	**Sd/-**

PLACE: Ahmedabad
DATE: December 24, 2024