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FIXED PRICE ISSUE

JIWANRAM SHEODUTTRAI INDUSTRIES LIMITED

Our Company was originally incorporated as a Private Limited Company in 1997 in the name and style of Jiwanram Sheoduttrai Industries Private Limited under the provision of the Companies Act, 1956 vide certificate of incorporation dated September 23, 1997 issued by the Registrar of Companies, Kolkata, West Bengal. Further the status of our company was changed to a Public Limited Company by a special resolution passed on June 02, 2022. A fresh Certificate of Incorporation consequent upon conversion of Company to Public Limited Company and consequent to change of name to Jiwanram Sheoduttrai Industries Limited was issued on June 02, 2022 by the Registrar of Companies, Kolkata, West Bengal. The Company's Corporate Identification Number is U17111WB1997PLC085533. The registered office of our Company is situated at 30D Jawaharlal Nehru Road, Kolkata – 700016. The Corporate Office of our Company is situated at Shilpangan, LB 1, Phase -1, Module 301 & 302, Sector III, Kolkata - 700098. For details of change in the name of our Company and address of registered office of our Company, see "*History and Certain Corporate Matters*" on page [●].

Registered: 30D Jawaharlal Nehru Road Kolkata – 700016
Corporate Office: Shilpangan, LB 1, Phase -1, Module 301 & 302, Sector III, Kolkata- 700098
Contact Person: Anupama Prakash, Chief Financial Officer**; Tel**: +91 33 4016 9500
E-mail: investor@jiwan.co.in; **Website**: www.jiwanramgroup.com;
Corporate Identity Number: U17111WB1997PLC085533

OUR PROMOTERS: ALOK PRAKASH, ANUPAMA PRAKASH, GYAN PRAKASH AND ALOK PRAKASH HUF

ADDENDUM TO THE DRAFT RED HERRING PROSPECTUS DATED JUNE 30, 2023: NOTICE TO THE INVESTORS ("THE ADDENDUM")

INITIAL PUBLIC OFFER OF UPTO 74,22,000EQUITY SHARES OF ₹ 10 EACH ("EQUITY SHARES") OF JIWANRAM SHEODUTTRAI INDUSTRIES LIMITED ("JSIL" OR THE "COMPANY") FOR CASH AT A PRICE OF ₹ [●] PER SHARE (THE "OFFER PRICE"), AGGREGATING TO ₹ [●] ("THE OFFER"), OF WHICH UPTO [●] EQUITY SHARES OF ₹ 10 EACH WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF UPTO [●] EQUITY SHARES OF ₹ 10 EACH IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE [●] % AND [●] %, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF THE COMPANY.

Potential Bidders may note the following:

1. The Chapter titled "Risk Factors" beginning on page 25 of the Draft Prospectus has been updated with addition of certain risk factor and modification of internal risk factor.
2. The Chapter titled "Object of the Issue" beginning on page 81 of the Draft Prospectus has been updated to include the table of Holding period along with the justification of the holding period Working Capital. Further, Date of Loan taken by the company from Swapanli Trade & Commerce Pvt. Ltd. has been included.
3. The Chapter titled "Our Business" beginning on page 111 of the Draft Prospectus has been updated to include the details of Product wise revenue details for each of the Factories. Also Properties detail has been updated to include the period of lease
4. "Our Management" chapter has been updated to insert the brief profile Company Secretary and Chief Financial Officer.
5. PAN details of Alok Prakash has been included in "Promoter and Promoter Group" Chapter
6. The Chapter titled "Management discussion and analysis" has been updated to include the justification for increase in PAT Margin

The above is to be read in conjunction with the Draft Prospectus and accordingly their references in the Draft Prospectus stand amended pursuant to this Addendum. Please note that the changes pursuant to this Addendum will be appropriately included in the Prospectus, as and when filed with the RoC, the SEBI and the Stock Exchanges. All capitalized terms used in this Addendum shall, unless the context otherwise requires, have the meaning ascribed to them in the Draft Prospectus.

On behalf of Jiwanram Sheoduttrai Industries Limited
Sd/-
Alok Prakash
Managing Director

Place: Kolkata
Date: August 28, 2023

LEAD MANAGERS	REGISTRAR TO THE OFFER
Affinity Global Capital Market Private Limited 20B, Abdul Hamid Street, East India House, 1st Floor, Room No. 1G, Kolkata – 700069, West Bengal, India **Tel**: +91 33 4004 7188 **E – mail:** jiwanram@affinityglobal.in **Investor Grievance ID**: investor@affinityglobalcap.in **Website**: www.affinityglobalcap.in **Contact Person**: Ayushi Hansaria **SEBI Registration Number**: INM000012838	**Cameo Corporate Services Limited** Subramanian Building" 1 Club House Road, Chennai- 600 002 **Tel:** +91 40 6716 2222 **E-mail:** priya@cameoindia.com **Investor Grievance e-mail:** investor@cameoindia.com **Website:** www.cameoindia.com **Contact Person:** K. Sreepriya **SEBI Registration No.:**

RISK FACTORS:-

Internal Risk factors of our Company shall be read as follows:

INTERNAL RISK

1. ***Our Company and our Directors are parties to certain legal proceedings. Any adverse decision in such proceedings may have a material adverse effect on our business, result of operations and financial conditions.***

Our Company and our Directors are parties to certain legal proceedings which are pending at different levels of adjudication before competent authority, appeals, tribunal and forums. We cannot assure you that these proceedings will be decided in favour of our Company or our Directors, as the case may be. Further, there is no assurance that similar proceedings will not be initiated against us or our Directors in the future. Any adverse outcome in any of the below mentioned proceedings could have an adverse effect on our reputation and may affect our future business, prospects, financial condition and results of operations. For details of these proceedings, see "Outstanding Litigation and Material Developments" on beginning from page 230 of this Draft Prospectus. A classification of these legal and other proceedings is given below:

Name of the Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceeding	Disciplinary actions by the SEBI or Stock Exchanges against our Promoter	Material Civil Litigations*	Aggregate Amount (in ₹) Involved (in ₹)**
Company						
By our Company	-	-	-	-	4	78,07,95,524
Against our Company	1[#]	11	-	-	1	5,72,85,636
Directors (other than promoter)						
By our Company	-	-	-	-	-	-
Against our Company	-	-	-	-	-	-
Promoter						
By our Promoter	-	-	-	-	-	-
Against our Promoter		4	-	-	-	59,763

[#] The parties have agreed to settle the matter out of court and the settlement arrived at, between the parties, will be placed before the Hon'ble Metropolitan Magistrate, Kolkata on the next hearing date fixed on July 19, 2023 for necessary orders.

The details of litigation involving claims related to direct and indirect taxes in brief are furnished herein below:

DIRECT TAX:

Claims related to Direct taxes against the Company:

A. Y.	Section Code	Date of Demand	Amount
2006-07	143(1)	29-09-2007	30,62,526
2012-13	143(3)	29-03-2015	4,53,852
2013-14	143(3)	29-03-2016	37,43,337
2014-15	143(3)	29-12-2016	1,44,69,123
2016-17	154	24-02-2021	46,67,656
2018-19	154	17-12-2019	5,41,790
2019-20	143(1)(a)	07-05-2020	13,21,690
2020-21	143(1)(a)	24-12-2021	1,75,01,198
2021-22	143(1)(a)	13-11-2022	15,90,166
2022-23	143(1)(a)	16-03-2023	77,15,242
		TOTAL	**5,50,66,580**

The Company aggrieved by the above orders has filed an appeal before the CIT Appeals. The matter is pending.

The impact of litigations involving claims related to direct and indirect taxes on the business or financials of the Company, if crystallized:

In the event appeals preferred by the Company before the CIT (Appeals) is dismissed, the tax demand will crystallize and our Company may be liable to pay the aforesaid sum and any other costs as may be imposed by the Commissioner of Income Tax (Appeals) which will have substantial effect on the financial health of the Company.

Our Company shall, however, challenge the demand and prefer an appeal before Income Tax Appellate Tribunal (ITAT) against the order(s) passed by CIT (Appeals) and will seek a stay on a part of the demand upon payment of a certain portion of tax demand upfront until the disposal of appeal by the ITAT.

TDS Liability against the Company:

The Office of the Income Tax Officer, Ward-2(TDS) has passed an Order dated 26.03.2019, U/s 201(1)/201(1A) of the Income Tax Act, 1961and determined a liability against the company for the Assessment Year 2012-13, aggregating to Rs.1.61 Lacs including interest. The Company aggrieved by the said order has filed an appeal before the CIT Appeals on 26.04.2019. The matter is pending.

INDIRECT TAX:

There are no outstanding Indirect Tax Liabilities against the Company.

2. We are highly dependent on our Top 10 suppliers for uninterrupted supply of Raw-Materials. Any disruption in supply of raw materials from these suppliers will adversely affect our operations.

We are highly dependent on leather and fabrics, which are the prime raw material for manufacture of gloves, industrial safety garments, and casual and workwear. We procure our supply of raw materials from various suppliers depending upon the price and quality of raw materials. However, our Top 10 supplier contributes significantly to supply of raw materials. Any disruption of supply of raw materials from these suppliers will adversely affect our operations. The contributions of our top 5 and top 10 suppliers are as follows:

(Amount ₹ In Thousands)

Particulars	**For Financial Year ended on March 31, 2023**		**For Financial Year ended on March 31, 2022**		**For Financial Year ended on March 31, 2021**	
	Amount	**% of Purchase**	**Amount**	**% of Purchase**	**Amount**	**% of Purchase**
Top 5	1,83,317.71	63.00%	1,49,591.20	63.63%	1,32,909.36	76.00%
Top 10	2,20,341.53	76.00%	1,80,354.44	76.71%	1,48,346.34	84.83%

However, since we have a large number of suppliers in this industry, loss of any one or more of our suppliers shall not have a major impact on our production and eventually our profitability.

3. ***Our business is substantially dependent on certain key customers from whom we derive a significant portion of our revenues. The loss of any significant customer may have a material and adverse effect on our business and results of operations.***

While we are constantly striving to increase our customer base and reduce dependence on any particular customer, there is no assurance that we will be able to broaden our customer base in any future periods or that our business or results of operations will not be adversely affected by a reduction in demand or cessation of our relationship with any of our major customers. Also, we are highly dependent on one customer who significantly contributes to our revenues. The contribution of the top five and top ten customers of our Company for the Fiscal 2023, 2022 and 2021 are as follows:

(Amount ₹ In Thousands)

Particulars	**For Financial Year ended on March 31, 2023**		**For Financial Year ended on March 31, 2022**		**For Financial Year ended on March 31, 2021**	
	Amount	**% of Sales**	**Amount**	**% of Sales**	**Amount**	**% of Sales**
Top 5	2,59,123.34	64.00%	1,32,216.63	40.70%	1,61,611.08	55.25%
Top 10	2,99,941.45	73.00%	1,98,042.18	60.97%	2,13,259.89	72.90%

However, our long-term relationships with customers are indicative of our quality consciousness and our designing and tooling capabilities. Further, Company is also exploring new market and has also added new customers which includes domestic customers as well and hence loss of one or more of the customers shall not have major impact on the financial condition of the Company.

4. ***We have certain contingent liabilities which, if materialised, may adversely affect our financial condition.***

As at March 31, 2023, we had certain contingent liabilities, as set out in the table below:

(Amount in ₹ in thousands)

Sr. No	**Contingent Liabilities**	**As at March 31, 2023**
1	Income Tax Enforcement Directorate Penalty pending appeal	825
2	Sales Tax Demand pending Tribunal	15,692
3	TDS liability as per TRACES	829

4	Income Tax Demand Pending Action (Demand Including Interest)	54,471
Total		**71,817**

If at any time we are compelled to pay all or a material proportion of these contingent liabilities, it would have a material and adverse effect on our business, financial condition, cash flows and results of operations. For further details, see "*Financial Information*" beginning on page *182*.

5. We have filed an application dated September 19, 2022 before the NSE for In principle approval w.r.t. Initial Public Offering of the Company which was rejected by the Stock Exchange vide its letter dated December 7, 2022

The Company has previously filed a Draft Prospectus dated September 09, 2022 and the application dated September 19, 2022 for In-principle approval w.r.t. its proposed Initial Public Offering on NSE Emerge.

On review of the Draft Prospectus and requisite documents/responses filed by the Company with the Exchange, it was observed by the Exchange that the Company has previously furnished certain non-satisfactory information to the Stock Exchange which led to the rejection of its Draft Prospectus by the Stock Exchange vide its letter dated December 7, 2022, as per para 1.6 (ii) of the SEBI (Framework For Rejection of Draft Offer Documents) Order, 2012 [General Order No. 01 of 2012 under S. 11A of the Securities and Exchange Board of India Act 1992]. However, Company has taken proper caution during the current filling of Draft Prospectus with the exchange.

6. Our Primary Raw material is leather and fabrics- the price of which keeps on changing and fluctuations in the price of the same may increase our production expenses which may have a financial impact on the Company

The Company's revenue from operations is derived from the manufacture and sale of gloves, industrial safety garments, and casual and workwear, which require leather and fabrics as the major raw materials. An increase in the price of these raw materials may result in an increase in manufacturing expenses and the overall cost of the Company's products. This may have an adverse financial impact on the Company's revenue from operations. The overall cost of Raw Material Consumed for the financial year 2023, 2022 and 2021 are Rs. 2,73,949.12 Thousands, Rs. 2,18,932.40 Thousands and Rs. 1,59,435.68 Thousands respectively which increases our production expenses during the financial year 2023, 2022 and 2021 respectively.

If the Company is unable to offset increases in raw material and component prices with increases in the prices for its products, it may experience lower margins, which will have a material adverse effect on its results of operations and financial condition. The Company is also exposed to the risk of unavailability of certain raw materials and components in desired quantities and qualities, in a timely manner or at all, in the absence of contracts. However, based on the experience of the promoter and long association in the market, the Company is well versed to adopt the changes.

7. We are mainly dependent on exports for sale of our products. Consequently, we are exposed to foreign currency fluctuations risks which may have an adverse effect on our business, result of operations and financial condition.

The Company's revenue from operations is largely denominated in Indian Rupees, but it is exposed to foreign exchange rate risk due to its export sales, which account for a significant portion of its revenue. For the fiscal years 2023, 2022, and 2021, the Company's export sales amounted to Rs. 2,41,109.44 Thousands, Rs. 2,35,889.70 Thousands and Rs. 2,42,115.03 Thousands respectively which represent 56.98%, 69.22%, and 79.34% of its revenue from operations which is Rs. 4,23,166.56 Thousands, Rs. 3,40,762.91 Thousands and 3,05,164.11 Thousands respectively. The Company's overdependence on exports may adversely affect its profitability if trade relations between India and any of the export countries get strained in the future or if these countries face internal issues.

Additionally, the exchange rate between the Indian Rupee and the currencies of the export countries may fluctuate, which could adversely affect the Company's results of operations. The exchange rate between the Indian Rupee and foreign currencies has fluctuated significantly in recent years and may continue to fluctuate in the future. While the Company has not faced any significant exposure pertaining to foreign exchange fluctuation risk, any significant appreciation of the Indian Rupee against foreign currencies in which it conducts its business may fundamentally affect its competitiveness in the long term.

The Company may also consider diversifying its revenue streams to reduce its dependence on exports. This may involve exploring opportunities in the domestic market or expanding into new markets. Additionally, the Company will monitor the foreign exchange markets and adjust its pricing strategy accordingly to remain competitive. The Company's market research should include an evaluation of all variables that may affect the price range for its products, including foreign exchange rates, to ensure that its pricing strategy is appropriate for the market.

8. We operate in an industry with several competitors, including large and established ones, and we may fail to compete successfully against existing or new competitors, which may reduce the demand for our products and services which may lead to reduced prices, operating margins, profits and further result in loss of market share across product categories.

The Company operates in a highly competitive industry and faces competition from both domestic and international competitors in the markets in which it operates. The Company's competitors include foreign brands, emerging Indian brands, as well as several small brands. While the Company believes that it is able to remain competitive across the product categories that it offers, it is possible that some of its existing and potential competitors may have greater brand recognition in India or globally, longer operating histories, greater financial, research, distribution, and technological resources, product development, sales and marketing, more experienced management, access to a cheaper cost of capital, and other resources than the Company does. For further details, see "Business — Description of Our Business — Competition" on page *127*. However, the Company is having its presence at both domestic and international market more than decades and having future strategies in place that will mitigate the effects of increased competition from local and international competitors.

9. Our business is working capital intensive. If we experience insufficient cash flows from our operations or are unable to borrow to meet our working capital requirements, it may materially and adversely affect our business and results of operations.

Our business requires significant amount of working capital primarily as a considerable amount of time passes between purchase raw materials and sale of our finished products and the subsequent collection process viz. our customers. As a result, we are required to maintain sufficient stock at all times in order to meet manufacturing requirements, thus increasing our storage and working capital requirements. For example, the total working capital as on March 31, 2023, was ₹ 5,95,074.79 Thousands, as on March 31, 2022, was ₹ 6,85,150.46 Thousands and as on March 31, 2021 was ₹ 7,52,084.27 Thousands.

Though the Company has not faced any such challenges in the past, consequently, there could be situations where the total funds available may not be sufficient to fulfil our commitments, and hence we may need to incur additional indebtedness in the future or utilize internal accruals to satisfy our working capital needs.

As we pursue our growth plan, we may be required to raise additional funds by incurring further indebtedness from bank/ other sources or issuing additional equity to meet our capital expenditures in the future. If we experience insufficient cash flows or are unable to borrow funds on a timely basis, or, at all, to meet our working capital and other requirements, or to pay our debts, it could materially and adversely affect our business and results of operations.

10. Our Company's manufacturing activities are labour intensive and depend on availability of skilled and unskilled labourers in large numbers. In case of unavailability of such labourers and / or inability to retain such personnel, our business operations could be affected.

Our Company has 157 employees on its pay rolls, including those in top and middle management, as well as those in the processing unit and office staff. The Company's operations and performance are labor-intensive and depend on its ability to identify, attract, and retain both skilled and unskilled labor. If such labor is unavailable or the Company is unable to identify and retain such laborers, its business could be adversely affected. To retain flexibility and control costs, the Company also appoints independent contractors who, in turn, engage on-site contract labor for performing certain of its ancillary operations. Any failure to hire the appropriate contract labor may impact the operations, production, and revenue. However, due to the location advantage, the Company has not experienced any labour shortage in past.

11. We do not have any offshore offices to manage our international operations.

A significant portion of our revenue is derived from our export operations however, we have not set up any offshore offices to supplement our international operations. Consequently, we may not be able to properly market our products, capitalised opportunities offered by the international markets or co-ordinate with the intermediaries of such markets to effectively forecast market demands, fashion trends in a timely manner. However, we are continuously in touch with the International market, both offline and online, we cannot assure you that in the near future we will be able to set up our offices overseas to manage our international operations and that the lack of same may adversely affect our business.

12. Any loss of or breakdown of operations at any of our operational facilities may have a material adverse effect on our business, financial condition and results of operations.

Our operational facilities are subject to operating risks, such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, labour disputes, natural disasters, accidents and the need to comply with the directives of relevant government authorities. Although the Company has not faced any such challenges in the past, the occurrence of any of these risks could significantly affect our operating results.

13. Our ability to anticipate changes in consumer preference, and industry trends and to meet customers' demands is a significant factor to remain competitive, any failure to identify and understand the trends may materially adversely affect our business.

The Company's products may become obsolete or less attractive due to changes in consumer preferences, regulatory or industry requirements, or competitive technologies. The Company's ability to anticipate changes in technology and regulatory standards and to successfully introduce new and enhanced products on a timely basis is a significant factor in remaining competitive. If the Company is unable to obtain such knowledge in a timely manner, or at all, it may be unable to effectively implement its strategies, and its business and results of operations may be adversely affected. The Company is also subject to the risks generally associated with new products and applications, including lack of market acceptance and failure of products to operate properly. Customer preferences in the markets the Company operates in are difficult to predict, and changes in those preferences or the introduction of new products by its competitors could put its products at a competitive disadvantage.

To compete effectively in the industry, we have developed our own design and research team understand the new trends/ products to meet our customers' demand in a timely manner.

14. We have our manufacturing facilities only in West Bengal.

Our manufacturing facilities are only located at West Bengal. As a result, any local social unrest, natural disaster or breakdown of services and utilities in that area could have material adverse effect on the business, financial position and results of our operations. Our manufacturing facilities are subject to operating risks, such as the location disadvantage, power supply or processes, performance below expected levels of output, efficiency, obsolescence, labour disputes, strikes, lock-outs, non-availability of services of our external contractors etc. However, Company has not faced any such instance in the past and obtained advantage of lower cost of living around our manufacturing facilities.

15. We have entered into certain lease and sub-lease agreements with our Group Company and are obligated to pay rent to our Group Company pursuant to these agreements.

We have entered into a certain lease and sub-lease agreements with our Group Company - JS Creations Private Limited (JSCPL) where JSCPL has provided office premises to our Company on lease. Currently, our Company is paying a lease rent amounting to Rs. 75,000/- every month to JSCPL. For further details in relation to lease and sub-lease agreements, see "Our Group Companies" on page 175. We are involved in, and we expect that we will continue to be involved in, a number of related party transactions including transactions relating to the leasing of real estate properties with our Promoters. However, we ensure that our related party transactions are done at arm's length and in accordance with the applicable laws.

16. Our business requires us to obtain and renew certain licenses and permits from government, regulatory authorities and other national/ international corporations and the failure to obtain or renew them in a timely manner may adversely affect our business operations.

Our business requires us to obtain and renew from time to time, certain approvals, licenses, registrations and permits. In addition, we require certain approvals, licenses, registrations and permissions under various regulations, guidelines, circulars and statutes regulated by authorities such as the Government of India, the State Governments and certain other regulatory and government authorities, for operating our business. **In particular, we are required to obtain certificate of shop and establishment license for our business activities which is pending for approval from Government of West Bengal.** If we fail to obtain such licenses or comply with applicable conditions, this could materially and adversely affect our business, financial condition and results of operations. We and our customers, may require various regulatory approvals, sanctions, licenses, registrations and permissions including environmental clearances in connection with our operations and the various development activities involved in such orders. Furthermore, our government approvals and licenses are subject to numerous conditions, some of which are onerous and require us to incur substantial expenditures. If we fail to comply or a regulator alleges that we have not complied with these conditions, our business, prospects, financial condition and results of operations may be adversely affected. While we typically apply for the renewal of any existing regulatory approvals prior to their expiry dates, there can be no assurance that we will continue to maintain the same which affect our business.

17. The Logo used by our Company is currently not registered under Trade Marks Act, 1999. Failure to protect our intellectual property rights may adversely affect our competitive business position, financial condition and profitability.

Presently, our Company is using logo , , and "GUARDOVA" which are registered and has been 'Opposed' under the Trade Marks Act, 1999. Therefore, as on date, we enjoy the statutory provisions that are accorded to a registered trademark which are sufficient for smooth running of the Business along with creating its brand. However, we may not be able to detect any unauthorized use or infringement or take appropriate and timely steps to enforce or protect our intellectual property, nor can we provide any assurance that any unauthorized use or infringement will not cause damage to our business prospects. Thus, we cannot guarantee that the application for registration of the 'Opposed' Trademark will be allowed. However, in case we are unable to obtain the registration for the said trademark in our name, our business revenues and profitability shall not be grossly impacted as alternate logo has already been registered.

18. Our inability to effectively manage project execution and milestone schedules may lead to project delays which may adversely affect our business and the result of operations.

Our business is dependent on our ability to effectively manage the execution of our projects. An inability to effectively manage our operations, including ineffective or inefficient project management procedures could increase our costs and expenses, resulting in project delays and thereby materially and adversely affect our profitability. Further, our purchase order / contracts typically provide specified milestones to be achieved within a specific timeframe, and we may be liable to our clients for any failure to meet such project milestones within the stipulated schedule in accordance with the terms of the relevant purchase order / contract. The effectiveness of our project management processes and our ability to execute projects in a timely manner may be affected by various factors, including:

- delays in receipt of work schedules and engineering inputs, approvals and decisions required from the client;
- delays in delivery of raw materials, components or equipment;
- changes to project plans and process requirements;
- delays due to interface issues;
- delays due to environmental considerations;
- onsite accidents and accidents during delivery and installation of our products;
- unavailability of skilled and unskilled labour;
- local strikes, work stoppages and curfews by political parties;
- adverse weather conditions; and
- adverse changes to the relevant legal, regulatory or tax regimes.

However, Company is in position to overcome these instances in the past smoothly, there is no assurance that it will continue to maintain the same and such factors would have an adverse effect on our results of operations and financial condition.

19. Labour disputes could affect our operations.

Our operations depend upon the productivity of our labour force. Our labour force is employed in our manufacturing facilities. Additionally, we also recruit labour resources required for our manufacturing and other ancillary activities such as house-keeping, gardening, security etc. While we generally have good relations with our employees and we have not faced any instances of labour disputes, there can be no assurance that there will not be any major labour related disputes in the future.

***20.* Our Company has availed certain unsecured loans from various body corporates which may be recalled at any time.**

Our Company has availed certain unsecured loans of which an amount of ₹ 2,91,626.58 thousands is outstanding as on March 31, 2023, which may be recalled at any time since the unsecured loans are repayable on demand. In the event, any of such unsecured lenders seek a repayment of any these loans, our Company would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all. If we are unable to arrange for any such financing arrangements, we may not have adequate working capital to undertake new projects or complete our ongoing projects. However, Company has managed to repay their loan on demand and have intentions to continue doing so through alternate means. Therefore, any such demand shall not adversely affect our business, financial condition and results of operations. For further details, see "Financial Indebtedness" on page 228 of this Draft Prospectus.

21. We are subject to the risk associated with certain of our premises being leased. Non-renewal or dispute with the lessors may disrupt our business, and we may cause a disruption in our operations.

We do not own one of our manufacturing facility i.e., Falta SEZ Unit. Such premises are maintained on a leasehold basis. Such leasehold arrangements require renewal or escalations in rentals from time to time during the lease period and currently the lease period has been expired in July 2023 and the Company has applied for renewal of its lease agreement. If we are unable to renew the relevant lease agreements, or if such agreements are renewed on unfavourable terms and conditions, we may be required to halt the operations and incur additional costs in such disruption. Moreover, we may face significant increases in the lease rental rates. Though the Company has never experienced any such instance in the past, any of the foregoing factors may cause a disruption in our operations or result in increased costs, or both, which may materially adversely affect our business, financial condition, results of operations, cash flows and prospects.

22. Our Company has received D rating in the past, which may adversely affect our business, prospects, financial condition, cash flows and results of operations.

We are required to comply with certain restrictive covenants under our financing agreements. Any non-compliance may lead to, amongst others, accelerated repayment schedule, enforcement of security and suspension of further drawdowns, which may adversely affect our business, results of operations, financial condition and cash flows. In a particular, our Company has received D rating in the past as CRISIL Report. Though the Company has received further rating on June 23 where we have been assigned a B- rating to the Long Term and A4 rating to Short Term Bank facilities, we cannot assure the same shall not happen in the future which may materially adversely affect our business, financial condition, results of operations, cash flows and prospects.

23. Our Company generally does business with our customers on purchase order basis and we have not entered into long term contracts with any of them.

Our business is dependent on our continuing relationships with our customers. Our Company neither has any long term contract with any of customers or distributors. Any change in the buying pattern of our customers or distributors from us can adversely affect the business of our Company. Further, our inability to add new buyers to our sales portfolio may hamper growth of our business and profitability. Since the Company is having long standing relationship with its customers, Company has not faced any challenges in the past.

24. 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.

As per SEBI (ICDR) Regulations, 2009 appointment of monitoring agency is required only for Offer size above Rs.100 Crores. Hence, we have not appointed a monitoring agency to monitor the utilization of Offer proceeds. However, the audit committee of our Company will monitor the utilization of Offer proceeds. Further, our Company shall inform about material deviations in the utilization of Offer proceeds to the NSE Limited and shall also simultaneously make public the material deviations / adverse comments made by the audit committee.

25. **Our Group Company has incurred losses in the past and may incur losses in the future.**

Our Group Company M/s. Jiwan+PIP Safety Private Limited has incurred losses in the preceding three fiscals and having negative net worth. The details of net worth and profit/loss of such Group Company for the preceding three fiscals are as follows:

(Amount ₹ in Thousands)

Particulars	**31/03/2022**	**31/03/2021**	**31/03/2020**
Networth	(603.53)	(574.43)	(546.73)
Total Turnover	0.00	0.00	0.00
Profit After Tax	(29.10)	(27.69)	(472.58)

Though, the Company M/s. Jiwan+PIP Safety Private Limited is not operational, neither having any revenue from business and only fixed costs are being incurred, our Group Company has plans to set off the losses once it is operational. While it shall not have major impact on our Company, this may however lead to reputational loss or decline in our overall profitability. For further details on the financial information of our Group Entities, see "Our Group Company" on page 175 of this Draft Prospectus.

26. Any reduction in the demand for our products could lead to underutilisation of our manufacturing capacity.

Our Company faces the risk that our customers might not place any order or might even cancel existing orders. Cancellations, of orders by our customers could adversely affect our results of operations by reducing our sales volume leading to a reduced utilization of our existing manufacturing capacity. Further, we make significant decisions, including determining the levels of business that we will seek and accept, production schedules, personnel requirements and other resource requirements, based on our estimates of customer orders. The changes in demand of our products could reduce our ability to estimate accurately future customer requirements, make it difficult to schedule production and lead to over production and utilization of our manufacturing capacity for a particular product. The requirements of our customers are not restricted to one type of product and therefore variations in demand for certain types of products also requires us to make customizations. This may lead to over production of certain products and under production of some other products resulting in a complete mismatch of capacity and capacity utilization. Any such mismatch leading to over or under utilization of our manufacturing facilities could adversely affect our business, results of operations, financial condition and cash flows.

27. The success of our business strategy depends on our ability to enhance our own brands and product portfolio. If we fail to maintain and enhance our brand and reputation, consumers' recognition of our brands, and trust in us, our business may be materially and adversely affected.

Our brand and reputation are among our most important assets and we believe our brands serve in attracting consumers to our products in preference over those of our competitors. Enhancing our own brands, including various schemes, direct marketing is one of our most important business strategy. Consumers in existing or new markets may be unfamiliar with our brand and products and we may need to build or increase brand awareness in the relevant markets by increasing investments in advertising and promotional activities than we originally planned. We face, and will continue to face, competition with established brands in the new markets we intend to enter. If we do not successfully maintain, extend and expand our reputation and brand image, then our brands, product sales, financial condition, future cash flows and results of operations could be materially and adversely affected.

28. We are dependent on third party transportation and logistics providers. Any disruption in logistics and transportation or significant increase in shipping and freight charges could adversely affect our business, financial condition and results of operations.

Our success depends on the timely supply of raw materials for our manufacturing facility and distribution of manufactured products to our customers and dealers, which are subject to various uncertainties and risks. Further, we have not entered into any agreements with transportation due to shortage / non availability of transport suppliers in our vicinity will led to delay delivery of our products. We use third party transportation providers for the supply of our raw materials and delivery of our products to domestic customers. Transportation cost for the financial year 2023, 2022 and 2021 are Rs. 2,139.66 Thousands, Rs. 2,157.39 Thousands and Rs. 1,664.78 Thousands respectively. We do not have any written arrangement with the logistic providers for the export of our manufactured products to our overseas customers. We have in-house internal control system in place to monitor the third party transportation and logistics. However, Transportation strikes, if any, could have an adverse effect on supplies and deliveries to and from our dealers, customers and suppliers. In addition, raw materials and finished products may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. Any unforeseen delays in transit time would result in failure to meet our shipment deadlines, which may result in an increase in supply chain costs, such as storage and warehousing, which could adversely affect our business and results of operations. However, Company has always been able to deploy suitable alternative transportations, no such delays has been faced in the past.

Though the Company has not experienced any instance of increase in freight cost in the recent past, any significant increase in our freight costs which we are unable to pass on to our customers may adversely affect our business and results of operations.

29. Our inability to collect receivables and default in payment from our customers could result in the reduction of our profits and affect our cash flows.

Our operations involve extending credit for extended periods of time to our dealers and distributors in respect of our products, and consequently, we face the risk of non-receipt of these outstanding amounts in a timely manner or at all, particularly in the absence of long-term arrangements with dealers and distributors. Our credit terms vary from 0 days to 90 days for our customers. Our inability to collect receivables from our customers in a timely manner or at all in future, could adversely affect our working capital cycle and cash flows. In Fiscals 2023, 2022 and 2021 our trade receivables were ₹ 43,37,74,776.91, ₹ 34,52,75,141.39 and ₹ 42,33,03,204.33, respectively, which represented 94.33%, 101.11% and 129.00%, respectively, of our total income for such periods. If we are unable to collect receivables or if the provisions for doubtful receivables are inadequate, it could have a material adverse effect on our business, financial condition and results of operations.

Macroeconomic conditions could also result in financial difficulties, including insolvency or bankruptcy, for our customers and dealers, and as a result could cause dealers to delay payments to us, request modifications to their payment arrangements, that could increase our receivables or affect our working capital requirements, or default on their payment obligations to us. An increase in bad debts or in defaults by our dealers may compel us to utilize greater amounts of our operating working capital and result in increased interest costs, thereby adversely affecting our results of operations and cash flows.

30. Our Company has delayed payment of Government dues. This may materially adversely affect our business operations in the future.

Our Company has delayed in payment of government department dues, the details of which is mentioned below

Amt. in Rs.

Particulars	*Fiscal 2023*	*Fiscal 2022*	*Fiscal 2021*
Statutory Dues including EPF and ESI	90,44,936.58	97,75,221.55	96,92,647.05
Total	90,44,936.58	97,75,221.55	96,92,647.05

However, our company has made payment to the extent of Rs. 7,09,481 towards CST, P. Tax and TDS. Further, for VAT and Service Tax amounting to Rs. 1,900,101 and Rs. 61,921 respectively and few others are old long due and could not be traceable by the department for which discussion is going on with the department. Once settled, Company shall either write off or make payment by the end of September, 2023.

31. Our presence in overseas market subject us to various business, economic, political, regulatory and legal risk.

Our revenue from operations majorly comprises of export sales and some domestic sales. Our overseas customers, which we believe have a large Indian diaspora and / or a population with similar tastes and preferences as the audience in India. Though we possess our own network of distributors and agents in overseas market, but it is highly likely that they may continue to be our agents. Our overseas operations are subject to inherent risks, including, but not limited to:

- difficulties in establishing brand recognition;
- uncertainties in cooperation with new local business partners, including distributors, logistics and transportation partners;
- exposure to tariffs, duties or other government costs and actions arising from trade restrictions;
- increased costs related to marketing our products;
- longer accounts receivable collection periods and greater difficulty in accounts receivable collection due to lower bargaining power in a less familiar market;
- potential foreign exchange and repatriation controls on foreign earnings, exchange rate fluctuations and currency conversion restrictions;
- the burden of complying with a variety of foreign laws, including delays or difficulties in obtaining government approvals and permits, import and export licenses, and regulations and unexpected changes in the legal and regulatory environment, including changes to import and export regulations;
- increases in distribution and transportation costs;
- uncertainty regarding liability for products;
- difficulties and costs of staffing and managing multiple multinational operations;
- reduced protection for intellectual property rights in some jurisdictions, at a reasonable cost or at all;
- potentially adverse tax consequences, including tax consequences which may arise in connection with intercompany pricing for transactions between separate legal entities within a group operating in different tax jurisdictions;
- challenges caused by distance, language and cultural differences, and by commencing business relationship with foreign partners, foreign agencies and governments; and
- political and economic instability including potential for political unrest, war or acts of terrorism in countries in which we operate.

We may be unsuccessful in developing and implementing policies and strategies that will be effective in managing these risks in each country where we plan to do business. Our failure to manage these risks successfully could adversely affect our business, operating results and financial condition.

32. We are dependent upon the experience and skill of our management team and a number of key managerial personnel. If we are unable to attract or retain such qualified personnel, this could adversely affect our business, results of operations and financial condition.

We are dependent on a highly qualified, experienced and capable management team for setting our strategic business direction and managing our business. Our Managing Director, KMPs and our Directors and several of our key managerial personnel have extensive experience in the Indian Safety Industry. Our ability to meet continued success and future business challenges depends on our ability to attract, recruit and retain experienced, talented and skilled professionals. Without a sufficient number of skilled employees, our operations and manufacturing quality could suffer. Our experienced sales team has also developed a number of dealer relationships that would be difficult to replace. Competition for qualified technical personnel and operators as well as sales personnel with established dealer relationships is intense, both in retaining our existing employees and when replacing or finding additional suitable employees. As of March 31, 2023, we had 157 permanent employees. The loss of the services of our key personnel or our inability to recruit or train a sufficient number of experienced personnel or our inability to manage the attrition levels in different employee categories may have an adverse effect on our financial results and business prospects.

33. Shortage or non-availability of essential utilities such as electricity could affect our manufacturing operations and have an adverse effect on our business, results of operations and financial condition.

Our business operation is heavily dependent on continuous and supply of electricity which is critical to our manufacturing operations. While our power requirements are met through local state power grid through interstate open access in our manufacturing facility, we cannot assure you that these will be sufficient and, or, that we will not face a shortage of electricity despite these arrangements. Further, any shortage or non-availability of electricity could result in temporary shut-down of a part, or all, of our operations at the location experiencing such shortage. Such shut-downs could, particularly if they are for prolonged periods, have an adverse effect on our business, results of operations and financial condition.

34. **We have issued Equity Shares in the last 12 (twelve) months at a price which is lower than the Offer Price.**

During the last 12 (twelve) months, we have issued Equity Shares at a price that is lower than the Offer Price, as set forth below.

Date of Allotment	**No. of Equity Shares allotted**	**Face Value (Rs.)**	**Offer price per Equity Share (Rs.)**	**Nature of Allotment**	**Nature of consideration**
24/08/2022	1,23,75,875	10/-	-	Bonus Issue	Other than cash

35. Our historical installed capacities and capacity utilisation of our facilities included in the Draft Prospectus need not be an indication of future production capacity and capacity utilisation.

The historical installed capacities and capacity utilization of our manufacturing facility included in this Draft Prospectus is based on various factors, including existing operational needs, availability of raw materials, potential plant utilization levels, downtime resulting from scheduled maintenance activities, demand of our products, unscheduled breakdowns, as well as other factors affecting operational efficiencies.

Our capacity utilisation was 29.31%, 22.08% and 61.59% for financial years ended March 31, 2021, March 31, 2022 and March 31, 2023 respectively. Therefore, undue reliance should therefore not be placed on our installed capacity or historical capacity utilization information for our existing facility included in this Draft Prospectus. For further information, see "*Our Business*" on page 111.

36. Certain of our Promoter Group and Group Companies have conflicts of interest as they are engaged in similar business and may compete with us.

Our Group Companies namely, JS Creations Pvt Ltd Private Limited are engaged in the similar line of business, as of our Company. For further details see, "*Group Companies*" on page 175. Further, we have not entered into any non-compete agreement with the said entity. We cannot assure that our Promoter who has common interest in said entity will not favour the interest of the said entity. As a result, conflicts of interests may arise in allocating business opportunities amongst our Company and our Group Company in circumstances where our respective interests' conflict. In cases of conflict, our Promoter may favour other companies/entities in which our Promoter has interest.

37. Our insurance coverage may not be adequate to cover all losses or liabilities that we may incur in our business and operations

Our operations are subject to various risks inherent in manufacturing and sale of Industrial Safety Products as well as fire, theft, earthquake, flood, acts of terrorism and other events beyond our control. Our Registered Office does not have any insurance coverage as on the date of this Draft Prospectus. We maintain insurance policies customary for our industry to cover certain risks, including standard fire and special perils, burglary, marine insurance policy.
Details of Insurance are given as under:

Particulars	**Insured Amount (Amt In Rs.)**	**Location**
Fire Policy	8,50,00,000	SDF Building, 1st floor, Sector 1, Falta SEZ, South 24 Parganas, Kolkata- 743504
P&M/Building/Furniture- Fire	8,00,00,000	JL No. 97, Canning Road, Ramnagar South, Uttarbhag, Baruipur-700144, South Twenty Four Parganas,

P&M/Building/Furniture- Fire	2,65,00,000	Gopalpur, Chandigarh, Nandankanan, Ganganagar- 700132, North Twenty Four Parganas
Stock- Burglary & Fire	20,00,00,000	1) JL No. 97, Canning Road, Ramnagar South, Uttarbhag, Baruipur- 700144, South Twenty Four Parganas 2)Gopalpur, Chandigarh, Andankanan, Ganganagar, 700132, North Twenty Four Parganas, West Bengal. 700132
P&M/Building- Fire	1,60,00,000	109/10, Hazra Road Kolkata Calcutta Calcutta,Kolkata, West Bengal,700026
Public Liability Insurance (General Insurance)	5,00,000	1) JL No. 97, Canning Road, Ramnagar South, Uttarbhag, Baruipur- 700144, South Twenty Four Parganas, 2) Gopalpur, Chandigarh, Nandankanan, Ganganagar, 700132, Ganganagar,North Twenty Four Parganas, West Bengal.

For further information, see "Our Business – Insurance" on page 130. Company has a policy in place to review its Insurance coverage on periodical basis and update the same as per the requirement.

38. Our Promoters will continue to retain significant control in our Company, which will allow them to influence the outcome of matters submitted to shareholders for approval.

As of the date of this Draft Prospectus, our Promoter and Promoter Group hold 99.996% of pre-offer share capital of our Company. Furthermore, after the completion of this Offer, our Promoters will control, directly or indirectly our Company and continue to hold substantial percentage of the issued and paid up equity share capital of our Company. As a result, our Promoter will continue to exercise significant control over us, including being able to control the composition of our Board and determine decisions requiring simple or special majority voting of shareholders, and our other shareholders may be unable to affect the outcome of such voting. Our Promoter may take or block actions with respect to our business which may conflict with the best interests of our Company or that of minority shareholders. We cannot assure you that our Promoter will exercise their rights as shareholders to the benefit and best interest of our Company.

39. We have in the past entered into related party transactions and may continue to do so in future, which may potentially involve conflicts of interest with our Shareholders.

We have entered into various transactions with related parties. While we believe that all such transactions have been conducted on an arm's length basis and contain commercially reasonable terms, we cannot assure you that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. It is likely that we may enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our business, results of operations and financial condition or that we could not have achieved more favourable terms if such transactions had not been entered into with related parties.
Though there has been inflow and outflow of funds mainly in the nature of loans or advances, they were the part of normal course of business where to meet the working capital requirement purchase of leather & fabrics, Company has taken loan/advances from the related parties and paid off during the year at arm's length price. Details of the material transactions with related party are as under:

Loans taken & Repayment thereof	**Financial Year**	**Loan taken**	**Repayment/ Written-off**	**Amount owed to Related Party as on closing date**
1. Alok Prakash H.U.F	2022-23	7,630.56	7,779.35	1,22,917.22
	2021-22	6,005.00	250.00	1,23,066.01

	2020-21	3,050.00	4,693.76	1,17,311.01
2. Alok Prakash	2022-23	10,181.14	42,622.48	36,455.81
	2021-22	27,479.19	18,985.24	68,897.15
	2020-21	614.63	1,250.00	60,403.19
4. Anupama Prakash	2022-23	16,356.30	17,726.00	52,557.35
	2021-22	14,615.97	8,810.71	53,927.05
	2020-21	580.00	645.56	48,121.79
7. Gyan Prakash	2022-23	1,460.09	1,645.33	12,902.61
	2021-22	1,044.22	1,305.88	13,087.85
	2020-21	945.03	13,979.10	13,349.52
10. JS Creations Private Limited	2022-23	30,341.67	12,165.97	21,340.58
	2021-22	3,164.88	-	3,164.88
	2020-21	-	-	-

For details on our related party transactions, see "*Financial Statements – Restated Financial Statements – Note* on page 182.

40. Our Promoter director and Promoter Key Managerial Personnel are interested in the Company's performance in addition to their remuneration and reimbursement expenses.

Our Promoter, certain Directors and Key Managerial Personnel are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses and such interests are to the extent of their shareholding in our Company as well as to the extent of any dividends, bonuses or other distributions on such Equity Shares, profit-based commission and their rights to nominate directors on our Board pursuant to such shareholding, amongst others. Further, our Promoters and Promoter Group will, after the Offer, continue to hold a significant stake in our Company. We cannot assure you that our Promoter, Directors and our Key Managerial Personnel will exercise their rights to the benefit and best interest of our Company. As shareholders of our Company, our Promoter or Directors or Key Managerial Personnel may take or block actions with respect to our business which may conflict with the best interests of the Company or that of minority shareholders.

Details of Remunaration paid to our Directors:

Rs. in Thousands

Salary to Directors	March 31, 2023	March 31, 2022	March 31, 2021
1. Alok Prakash	900.00	-	900.00
2. Nikita Chaurasia	71.50	-	-

Details of Remunaration paid to KMP:

Rs. in Thousands

Salary to Key Managerial Personnel	March 31, 2023	March 31, 2022	March 31, 2021
1. Anupama Prakash	-	-	900.00

For further information on the interest of our Promoter and Directors of our Company, other than reimbursement of expenses incurred or normal remuneration or benefits, see "*Our Management*", "*Our Promoters and Promoter Group*" and "*Financial Statements*" on pages 151, 170 and 182, respectively.

41. *Our management will have broad discretion in how we apply the Net Proceeds and there is no assurance that the Objects of the Offer will be achieved within the time frame expected, or at all, or that the deployment of Net Proceeds in the manner intended by us will result in any increase in the value of your investment.*

We intend to use the Net Proceeds for the purposes described under the "*Objects of the Offer*" on page 81. The Objects of the Offer comprises of (a) funding incremental working capital requirements of our Company, (b) Prepayment or repayment of all or a portion of certain unsecured loans availed by our Company and (c) for general corporate purposes (the amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds). Further our Objects of the Offer have not been appraised by any bank, financial institution or other independent agency. Our management will have broad discretion to revise our business plans, estimates and budgets from time to time. Consequently, our funding requirements and deployment of funds may change, which may result in rescheduling of the proposed utilization of Net Proceeds and increasing or decreasing expenditure for a particular activity, subject to compliance with applicable law and the investment policies approved by our management. Further, pursuant to Section 27 of the Companies Act, 2013, any variation in the Objects of the Offer would require a special resolution of the shareholders and the promoter or controlling shareholders will be required to provide an exit opportunity to the shareholders who not agree to such proposal to vary the Objects of the Offer, in accordance with applicable law.

In case of increase in actual expenses or shortfall in requisite funds, additional funds for a particular activity will be met by any means available to us, including internal accruals and additional equity and/or debt arrangements. If actual utilization towards the Objects of the Offer is lower than the proposed deployment, such balance will be used for future growth opportunities, including funding other existing objects, if required. If estimated utilization of the Net Proceeds is not completely met in a fiscal year, it shall be carried forward.

42. *Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditure and restrictive covenants in our financing arrangements.*

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Additionally, under some of our loan agreements, we may not be permitted to declare any dividends, if there is a default under such loan agreements or unless our Company has paid all the dues to the lender up to the date on which the dividend is declared or paid or has made satisfactory provisions thereof. Accordingly, realization of a gain on shareholder's investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details of our dividend history, see "*Dividend Policy*" on page 181 of this Draft Prospectus.

43. *Industry information included in this Draft Prospectus has been derived from information freely available on the internet and research reports released by some non- government organisations. There can be no assurance that such third party statistical, financial and other industry data in the Draft Prospectus may be complete or reliable.*

We have not independently verified data obtained from industry publications and other third party sources, referred to in this Draft Prospectus. These reports are subject to various limitations and based upon certain assumptions that are subjective in nature. We obtained certain data from reports released from private organisations, which might have restriction on the reproduction of the same in the Draft Prospectus. Although we believe that the data may be considered to be reliable, the accuracy, completeness and underlying assumptions are not guaranteed and 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, the LMs or any of our or their respective affiliates and, therefore, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics.

This information includes general market and industry data that is derived from both public and private sources, including market and industry data that is derived from both public and private sources, including market research, publicly available information and industry publications. Such data may also be produced on different bases from those used in other industry publications. Therefore, discussions of matters relating to India, its economy and the industries in which we currently operate in this Draft Prospectus are subject to the caveat that the statistical and other data upon which such discussions are based may be incomplete or unreliable. Investors should exercise caution when relying upon such third-party information.

44. *Our Company has experienced negative cash flow from operating activities in prior periods and may continue to do so in the future, which could have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations.*

Our Company has experienced negative net cash flows from operating activities in the past, the details of which are provided below:

(Amount ₹ in Thousands)

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Net cash generated from operating activities	14,320.72	(55,744.96)	4,784.12
Net cash used in investing activities	1,005.83	(1,578.43)	2,775.94
Net cash used in financing activities	(13,814.76)	50,883.88	(9,493.48)
Net (decrease)/ increase in cash and cash equivalents	1,511.80	(6,439.51)	(1,993.42)

For details on the negative cash flows for the last three Fiscals, please refer to the chapter titled "*Management Discussion and Analysis of Financial Condition and Result of Operations*" on page 214. We may incur negative cash flows in the future which may have a material adverse effect on our business, prospects, results of operations and financial condition. However, Company is continuously working on improving its cash flow and expecting to continue further with the help of infusion of funds from IPO proceeds.

OBJECTS OF THE OFFER

The Chapter titled "Object of the Issue" beginning on page 81 of the Draft Prospectus has been updated to include the table of Holding period along with the justification of the holding period Working Capital. Details are as under:

Table of Holding Period for last 3 financial year and projected holding period for F.Y. 2024:

Particulars	31/03/2021	31/03/2022	31/03/2023	31/03/2024
Sundry Debtors Holding period (Days)	87	62	84	90
Inventory Holding Period (Days):	-	-	-	-
- Raw Material	73	80	86	90
- Finished Goods	292	275	197	214
- WIP	36	43	44	44
Sundry Creditor Holding Period (Days)	577	99	101	29

However, justification provided for in the Draft prospectus was erroneously kept as previous Draft Prospectus filed on 9 September 2022 since changes made in track changes was missed out to be accepted. Accordingly, we undertake to replace the same as under:

Asset-Current Assets	
Trade Receivables	Our company generally sales goods on credit to our customers for a credit period of 87 days, 62 days and 84 days in the FY 2020-21, 2021-22 and 2022-23 which is as per the acceptable business practice in the similar trade. For the year ended on March 31, 2023, holding period has increased to 84 days mainly due to increase in revenue from operation in the year. The debtors are projected to slightly increase to 90 days for the FY 2023-24. Our management believes that the proposed credit period to our customers is reasonable for our business operations.
Inventories	**Raw Material:** Our Company procures raw material which is essential for manufacturing the product. In the FY 2020-21, 2021-22 and 2022- 23, our Company had maintained raw material inventory levels for 73 days, 80 days and 86 days respectively. For the year ended on March 31, 2024, holding period was slightly increased to 90 days mainly due to increase in Production and Revenue from Operation of the Company. Raw materials are majorly procured from certain domestic suppliers with whom our Company has long standing business relationships.
	Finished Goods: In the FY 2020-21, 2021-22 and 2022-23, our Company maintained finished goods inventory levels for 292 days, 275 days and 197 days respectively. All the products manufactured by our Company are based on orders placed by the customers and the finished goods are dispatched as and when they are packed. Since Our Company is into the manufacturing sector, sufficient volume of Finished Goods needs to be maintained. However, we estimate finished goods inventory days to increase to average of 214 days in FY 2023-24.
	WIP: For FY 2020-21, FY 2021-22 and 2022-23, consumable stores inventory level has been maintained at 36 days, 43 days and 44 days respectively. Further, our consumable stores holding levels is estimated to remain unchanged to average of 44 days in the FY 2023- 24.
Liabilities-Current Liabilities	
Trade Payables	Company's trade payables predominantly comprise of payables towards purchase of raw materials, work in process materials and finished goods. The trade payable days were approximately 577 days, 99 days and 101 days of purchases for FY 2020-21, 2021-22 and 2022-23, respectively. The days payable outstanding has been estimated at 29 days each in FY 2023-24. Our Company has proposed to utilize a part of the fresh issue proceeds towards working capital requirements which will lead to payment to creditors and slight reduction in the outstanding days payable. Hence, trade payables days are estimated at slightly lower levels which will enable our Company to get better terms from our vendors.

Further, the Date of Loan taken by the company from Swapanli Trade & Commerce Pvt. Ltd. has been included as under:

Repayement of loan

Date of Loan taken by the company from Swapanli Trade & Commerce Pvt. Ltd. are:
Total Amount Received Rs. 2.00 Crore out of which:
Rs. 0.25 Crore received on 23rd March, 2023 and
Rs. 1.75 Crore received on 24th March, 2023.

OUR BUSINESS:

The Chapter titled "Our Business" beginning on page 111 of the Draft Prospectus has been updated to include the details of Product wise revenue details for each of the Factories. Also Properties detail has been updated to include the period of lease. Details of which are as follows:

Our key Products – Industrial Safety Gloves and Garments are manufactured at both Baruipur and Falta Facility of the Company and the Percentage of Revenue contributed from each of the Factories are as under:

BARAIPUR

Sr. No	Product	2020-21		2021-22		2022-23	
		Revenue(in crs)	% 0f Total Revenue	Revenue (in crs)	% 0f Total Revenue	Revenue (in crs)	% 0f Total Revenue
1	Gloves	21.19	72.44	20.03	61.67	29.69	72.97
2	Industrial Garments	8.06	27.56	12.03	37.04	8.92	21.91
Total		**29.25**	**100.00**	**32.06**	**98.71**	**38.60**	**94.88**

FALTA

Sr. No	Product	2020-21		2021-22		2022-23	
		Revenue (in crs)	% 0f Total Revenue	Revenue (in crs)	% 0f Total Revenue	Revenue (in crs)	% 0f Total Revenue
1	Gloves	-	-	0.42	1.28	1.56	3.84
2	Industrial Garments	-	-	-	-	0.52	1.29
Total		-	**-**	**0.42**	**1.28**	**2.09**	**5.13**

NANDANKANAN:
Currently, Company has not been manufacturing any product and thereby not generated any revenue from Nandankanan Unit in last 3 Financials years inorder to curtail fixed cost thereby reducing cost of production per product. Also, the Company has sufficient capacity in the remaining two units and now the Company has started working on its marketing strategies to increase the demand and take the optimum utilization from the overall capacity.

PROPERTIES

Year	Owned/ Leased	Period of Lease	Location	Purpose
1997	Owned	NA	30D Jawaharlal Nehru Road Kolkata – 700016	Registered Office
2005	Lease	Valid till March 31, 2027	"Shilpangan", M301and M302 LB-1, Toypark Sector-III, Saltlake, Kolkata-700098	Corporate Office

2002	Owned	NA	Baruipur: Uttarghag, Ramnagar, Canning Road, 24 Parganas (S), West Bengal, 700 144	Manufacturing Unit
2008	Owned	NA	2.Nandankanan: Via Gopalpur, Chandigarh, PO - Ganganagar, Kolkata – 700 132	Manufacturing Unit
2016	Lease	Request for renewal*	3.Falta SEZ: SDF Building, 1st Floor, Sector-I, South 24 Parganas, West Bengal, 743 504	Manufacturing Unit

* Company has requested for renewal of its Lease agreement and we undertake to update the same at the time of filling of Prospectus.

OUR MANAGEMENT

Details of Company Secretary and Chief Financial Officer has been updated as under:

Sweta Agarwal, Company Secretary and Compliance officer of the company is member of the Institute of Company Secretaries of India. As a Company Secretary, she is fresher and has no earlier experience as compliance officer in any organisation.

Anupama Prakash, Chief Financial Officer of the Company is a Bachelor of Science from the University of Jadavpur. She is well versed in Accounts and finance. She is Handling Companies financial affairs of the Company and takes part in the strategic and administrative decision making of the Company.

PROMOTER AND PROMOTER GROUP

The PAN of Mr. Alok Prakash is AEXPP3743A.

MANAGEMENT DISCUSSION AND ANALYSIS

During the current year, there has been significant increase in PAT Margin of the Company due to the following reason:

Amount in Rs. Thousands

	Particulars	March 31, 2023	March 31, 2022	Variance	% Variance	Reason
A	**INCOME**					
	Revenue from Operations	4,23,166.56	3,40,762.91	82,403.65	24%	Company has worked on its marketing strategies and improved domestic sales as well which led to increase in domestic sales by 86.40% thereby leading to increase in overall revenue.
	Other Income	36,674.85	726.54	35,948.31	4948%	Increase in other income is mainly due to increase in gain in foreign exchange.
I	**TOTAL INCOME**	**4,59,841.41**	**3,41,489.45**	1,18,351.96	35%	
B	**EXPENSES**					Though the revenue from operations has increased during the year, Company has curtailed few expenses through the strategic changes which led to increase in PAT Margin of the Company:
	Cost of Raw Materials consumed	2,73,949.12	2,18,932.40	55,016.73	25%	
	Change in Inventories of Finished Goods, Work-In-Progress & Traded Goods	12,857.94	(11,420.36)	24,278.30	-213%	
	Employee Benefit Expenses	28,625.33	30,380.84	-1,755.51	-6%	Our Employee Benefits Expense primarily comprises of Salaries, wages & bonus expenses, Remuneration to directors, Contribution to Provident and Other Fund, Staff welfare expenses etc. Decrease of 5.78% is due to improvement in internal control, the company is optimally utilizing its human resources due to which employee benefit expenses has been reduced.
	Finance Charges	18,725.78	17,814.77	911.01	5%	
	Depreciation & Amortization Expenses	6,492.85	5,840.93	651.92	11%	
	Other Expenses	62,909.86	72,216.99	-9,307.13	-13%	Cost cutting measures led to reduction in other expenses. Detailed breakup has been provided under **Note -1.**
II	**TOTAL EXPENSES**	**4,03,560.87**	**3,33,765.56**	69,795.32	21%	
III	**PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX**	**56,280.53**	**7,723.90**	48,556.64	629%	
V	**PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX**	**56,122.91**	**8,153.27**	47,969.63	588%	
VI	**PROFIT BEFORE TAX**	**56,122.91**	**21,249.45**	34,873.46	164%	
VII	**TAX EXPENSE:**	15,857.99	6,280.03	9,577.96	153%	

VIII	**PROFIT/(LOSS) FOR THE YEAR (VI-VII)**	**40,264.91**	**14,969.42**	25,295.49	169%	
	PAT MARGIN	**9.52%**	**4.39%**	5.12%	117%	Though the revenue has increased, PAT Margin has increased significantly due to reduction in expenses as a measure of revenue.

Note – 1:
Company has undertaken various cost cutting measures to improve the productivity, detailed reason for decrease in expenses has been provided as under:

Amount in Rs. thousands

Particulars	**2023**	**2022**	**Variance**	**Remarks**
Fabrication & Packing Charges	14,471.35	16,312.52	(1,841.17)	Decrease in packing charges is mainly due to increase in domestic sales.
Electricity Expenses	3,453.33	4,204.63	(751.29)	Decrease is due to effective utilization of power.
Custom Duty/Import duty and Clearing Charges	2,847.14	4,523.92	(1,676.78)	Decrease in packing charges is mainly due to increase in domestic sales.
Professional and Consultancy Charges	4,342.79	6,639.22	(2,296.43)	During the F.Y. 21-22, Company has incurred payment towards advocate for pending legal cases and professionals for the purpose of IPO which was not incurred in F.Y. 22-23 and hence the variance.
Office Maintenance	1,199.77	1,871.39	(671.62)	Company had enough expended on Office Maintenance, Repairs & Maintanance for Factory & Building and others in F.Y. 2022 and F.Y. 2021 which was no more required in F.Y. 2023.
R & M Factory & Building	-	537.52	(537.52)	
R & M Others	457.01	1,215.81	(758.80)	
Others	36,138.47	36,911.97	(773.50)	
Total Other Expenses	**62,909.86**	**72,216.99**	**(9,307.13)**	