

### IPO Details

|                           |                           |
|---------------------------|---------------------------|
| <b>Opening Date</b>       | Sep 08, 2023              |
| <b>Closing Date</b>       | Sep 12, 2023              |
| <b>Stock Exchange</b>     | NSE SME                   |
| <b>Lot Size</b>           | 6000 Shares               |
| <b>Issue Price</b>        | ₹23 per share             |
| <b>Issue Size</b>         | 7,422,000 shares          |
|                           | Aggregating up to 17.07Cr |
| <b>Fresh Issue</b>        | Aggregating up to 17.07Cr |
| <b>Application Amount</b> | ₹1,38,000                 |

### IPO Objective

To meet the working capital requirements.  
Prepayment and repayment of all or a portion of certain unsecured loans availed by the company.  
General Corporate Purpose and to meet the offer expenses.

### Pre-Issue Shareholding

| Category                  | No. of Shares | % of Total Shares |
|---------------------------|---------------|-------------------|
| Promoter & Promoter Group | 1,73,25,525   | 99.996 %          |
| Public                    | 700           | 0.004%            |

### Promoter of the Company

|   |                      |
|---|----------------------|
| 1 | MR. ALOK PRAKASH     |
| 2 | MRS. ANUPAMA PRAKASH |
| 3 | MR. GYAN PRAKASH     |

### Competitive Strengths

|   |  |
|---|--|
| 1 | International Presence and Wide Distribution Network.  |
| 2 | Cost effective production and timely fulfilment of orders.                                     |
| 3 | Established manufacturing facilities with over decades of operations.                          |
| 4 | Products with National & International Certifications.   |
| 5 | Experienced Promoters and strong senior management team with extensive knowledge of the sector |

### Company Background

- Company was incorporated in the year 1997 and has its registered office in Kolkata.
- Company is engaged in the manufacturing and export of the Industrial Safety Gloves and Garments which provides customized solutions in the field of Industrial Safety.
- Jiwanram Sheoduttrai Industries Limited began manufacturing PPEs in 1997 and has since grown to establish manufacturing facilities and export to countries such as the United States of America, Spain, Germany, and Belgium.
- As on March 31st-2023, Company has 157 employees on its payroll.

### Market Capitalization

| Pre-Issue | Post-Issue | (In Cr.) |
|-----------|------------|----------|
| ₹ 40      | ₹57        |          |

### Financial Summary

| For the Period Ended    | (In Lacs) |           |           |
|-------------------------|-----------|-----------|-----------|
|                         | Mar-23    | Mar-22    | Mar-21    |
| <b>Total Assets</b>     | 12,112.32 | 11,377.21 | 12,104.13 |
| <b>Net Assets</b>       | 4,802.35  | 4,428.26  | 4,307.13  |
| <b>Total Borrowings</b> | 5,258.98  | 5,230.91  | 4,883.39  |
| <b>Total Revenue</b>    | 4,598.40  | 3,414.88  | 3,281.34  |
| <b>Profit After Tax</b> | 404.26    | 149.71    | 2.92      |

### Tentative Timeline

|                                  |              |
|----------------------------------|--------------|
| <b>Opening Date</b>              | Sep 08, 2023 |
| <b>Closing Date</b>              | Sep 12, 2023 |
| <b>Basis of Allotment</b>        | Sep 15, 2023 |
| <b>Initiation of Refunds</b>     | Sep 18, 2023 |
| <b>Credit of Shares to Demat</b> | Sep 20, 2023 |
| <b>Listing Date</b>              | Sep 21, 2023 |

## Company Background and Analysis

Company is engaged in the manufacturing and export of the Industrial Safety Gloves and Garments which provides customized solutions in the field of Industrial Safety. The endeavour is complimented with the manufacturing facilities at Baruipur, Nandankanan and Falta SEZ West Bengal. Products are well accepted for its quality which covers all manufacturing range of Gloves, Industrial Garments and other protective PPEs and solution basket for the Industrial Safety. Company is majorly engaged in the business of manufacturing and exporting for various brands. Jiwanram Sheoduttrai Industries Limited began manufacturing PPEs in 1997 and has since grown to establish manufacturing facilities and export to countries such as the United States of America, Spain, Germany, and Belgium. The company has differentiated its business lines to make the most of its in-house potential. Over the past two decades, JSIL has made its presence known around the world, particularly in Europe, America, and the Middle East, and has expanded to over twenty countries. JSIL is a globally renowned manufacturer of Industrial Garments and Gloves and exporter of head-to-toe safety wear, workwear, and more.

### Company's business is classified under the following 3 (three) product verticals:

- i. Industrial Leather Gloves which are classified as Canadian, Welder, Driver, Mechanical, Combi, Hi- Vis etc; which are thinsulate lined and kevlar stitched as per the customization requirements of customers.
- ii. Industrial Garments which are classified as Fire retardant, high visibility, water repellent, U.V protection, oil and soil repellent, anti- bacterial, anti-peeling etc; manufactured as per the specifications of customers.
- iii. Work and Casual wear – Company ventured into the manufacturing of Hospital Garments, Hotel Industry Garments, shirts, trousers, Jeans, jackets, T- shirts on order basis.

### Details of Export and Domestic Sales of Products are set forth below:

(Amount in Lakhs)

| Particulars  | Fiscal 2023     | % of revenue   | Fisca2022       | % of revenue   | Fiscal2021      | % of revenue   |
|--------------|-----------------|----------------|-----------------|----------------|-----------------|----------------|
| Export       | 2,411.09        | 59.25%         | 2,358.90        | 72.62%         | 2,421.15        | 82.76%         |
| Domestic     | 1,658.06        | 40.75%         | 889.53          | 27.38%         | 504.28          | 17.24%         |
| <b>Total</b> | <b>4,069.15</b> | <b>100.00%</b> | <b>3,248.43</b> | <b>100.00%</b> | <b>2,925.43</b> | <b>100.00%</b> |

### Capacity Utilization

(In Units)

| Sr. No                             | Product             | Installed Capacity | Actual Utilization |        |              |         |              |        |
|------------------------------------|---------------------|--------------------|--------------------|--------|--------------|---------|--------------|--------|
|                                    |                     |                    | 2020-21            |        | 2021-22      |         | 2022-23      |        |
| 1                                  | Gloves              | 5,000,000          | 2,36,7,281.19      | 47.35% | 22,58,352.33 | 45.17%  | 33,27,041.78 | 66.54% |
| 2                                  | Industrial Garments | 6,20,000           | 11,5,136.00        | 18.57% | 1,71,889.00  | 27.72 % | 1,54,666.00  | 24.95% |
| <b>Overall Average utilization</b> |                     | 56,20,000          | 2,48,2,417.19      | 44.17% | 2,430,241.33 | 43.24%  | 34,81,707.78 | 61.95% |

## **Business Strategies**

### **1. Brand building**

The industry is seeing a shift in market share from the unorganised to the organised sector. Company seeks to capture a greater market share in this environment and it is important to invest in the brand to strengthen the top of the mind recall and consequently shall continue to invest in brands.

### **2. International Marketing**

Company's strategy is to explore and create positive alliances in different countries and set up a global base to achieve long-standing relationships globally and become an international brand. This will also help improve outlook and bring in more technologically innovative products and production methods to ensure high-quality returns to the organization.

### **3. One Stop Solutions**

One of the vision of the management is to become a "One Stop Solution" provider to the Industrial Safety sector by expanding customer base and introducing new products "head-to-toe" both Nationally and Internationally. With past experience in the products, safety features, price competitiveness of offerings, Company expect to strengthen position in the Industrial Safety Market.

### **4. Niche Product Marketing**

A niche market is the subset of the market in which a specific product is focused. The market niche defines as the product features aimed at satisfying specific market needs, as well as the price range, production quality and the demographics that is intended to impact. It is a small market segment that company proposes and are currently focusing on to create an image of Solution providers in the Country and Globally.

## **Competitive Scenario and Peer Mapping**

### **Competition**

The company faces high competition from the unlisted players in the market Neo Safety Products Private Limited, Industrial Safety Products Private Limited, Utkal Industrial & Safety Products Private Limited etc. The bargaining power of the company is low and the threat of new entrant is high. Principal elements of competition in industry are price, durability and overall product quality, timely delivery and reliability and most importantly pace in keeping up with the required regulations and changing technology in the industry.

### **Peer Analysis**

There are no comparable peer which is listed companies in India and which are engaged in the same line of business with same size as Company.

## Industry Overview

Exhibit 1: Attractive Opportunities in the Personal Protective Equipment Market



## GLOBAL LEATHER MARKET

The global leather goods market size was valued at USD 242.85 billion in 2022 and is expected to expand at a compound annual growth rate (CAGR) of 6.6% from 2023 to 2030. The market is primarily driven by rising consumer disposable income, improved living standards, changing fashion trends, and growing domestic and international tourism. The rising demand for comfortable, trendy, and fancy leather apparel, footwear, and accessories, along with growing brand awareness, is expected to have a positive impact on the leather goods market.

## Key Companies & Market Share Insights

The market is characterized by the presence of various well-established players. The increasing demand for leather footwear & other goods by consumers is primarily driving the competition in the market. Major players manufacture products that cater to specific consumer needs, such as bags of various sizes, including backpacks, tote bags, messenger bags, suitcases, briefcases, pouches, and duffel bags. The increasing demand for such products, particularly in the emerging economies of North America, Europe, Asia Pacific, and Central & South America, offers growth opportunities to manufacturers. The research & development initiatives undertaken by some companies to enhance their product specifications and market reach are expected to further intensify the competition during the forecast period. The key players operating in the leather goods market are focusing on strategic initiatives such as product launches, acquisitions, sponsorships, collaborations, participation in events, and business expansions to drive revenue growth and reinforce their position in the global market.

(Source: Prospectus)

## Key Managerial Personnel

**Alok Prakash**, aged about 62 years, is the Managing Director and one of the Promoters of Company. He holds a Bachelor Degree in Commerce from the University of Calcutta. He has been on the Board of the Company since November 29, 1997. He has over 24 years of experience in the Industrial Safety Industry that includes Industrial Safety products from head to toe. He is instrumental in penetrating new markets and achieving unprecedented sales growth for the Company.

**Anupama Prakash** aged 58 years is Chief Financial Officer of the Company. She is a Bachelor of Science from the University of Jadavpur. She is well versed in Accounts and finance. She looks after the financial affairs of the Company and takes part in the strategic and administrative decision making of the Company.

**Gyan Prakash**, aged 30 years is the Head of the Operations of the Company. He is a Bachelor of Science in Industrial Engineering from Northeastern University, Boston, Massachusetts, United States of America. He looks after the manufacturing of the Industrial Garments and Gloves. He oversees the international export and marketing affairs of the company along with the financial matters in relation to the Export of the manufactured products on the Company.

**Amitava Majumder**, aged about 61 years, is the Non-Executive Director of Company. He holds a Bachelors' Degree in Science from the University of Calcutta and Diploma in Export- Import Management and International Marketing. He has been associated with Company since April 02, 2022. He has more than three decades of experience in the International Marketing, export - import, foreign exchange and foreign trade matters.

**Madhurima Datta**, aged about 43 years, is a Non-Executive Director of Company. She holds a Bachelors' Degree in Science from University of Calcutta and Post Graduate Diploma in Management with specialisation in Human Resources Management from All India Management Association (AIMA) through its Nodal Centre "Academy for Professional Excellence" (APEX), Kolkata.

To conclude, the company has 3 promoters. Anupama Prakash and Alok Prakash has over 24 years of experience in the Industrial Safety Industry that includes Industrial Safety products from head to toe and other promoters and directors doesn't have much experience.

## Financial Snapshot

| <b>Profit and Loss Statement</b>  |                 |                 |                 | <b>(In Lacs)</b> |
|---|-----------------|-----------------|-----------------|------------------|
| <b>Particulars</b>  | <b>FY 21</b>    | <b>FY 22</b>    | <b>FY 23</b>    |                  |
| Revenue from Operations   | 3,051.64        | 3,407.62        | 4,231.66        |                  |
| Other Income  | 229.70          | 7.26            | 366.74          |                  |
| <b>Total Income</b>   | <b>3,281.34</b> | <b>3,414.88</b> | <b>4,598.40</b> |                  |
| <b>Expenses</b>   |                 |                 |                 |                  |
| Cost of Raw Materials consumed  | 1,594.35        | 2,189.32        | 2,739.49        |                  |
| (Increase)/Decrease in Stock  | -               | -               | -               |                  |
| Changes in inventories of Finished goods, work-in-Progress              | 233.92          | -114.20         | 128.57          |                  |
| Employee benefits expense   | 322.92          | 303.80          | 286.25          |                  |
| Finance costs   | 188.03          | 178.14          | 187.25          |                  |
| Depreciation and Amortization expense                                   | 64.12           | 58.40           | 64.92           |                  |
| Other expenses  | 615.09          | 722.16          | 629.09          |                  |
| <b>Total Expenses</b>   | <b>3,018.43</b> | <b>3,337.62</b> | <b>4,035.57</b> |                  |
| <b>Earnings Before Interest, Taxes, Depreciation &amp; Amortization</b> | <b>285.36</b>   | <b>306.54</b>   | <b>448.26</b>   |                  |
| <b>EBITDA Margin</b>  | <b>9%</b>       | <b>9%</b>       | <b>11%</b>      |                  |
| <b>Profit/(Loss) before exceptional items and tax</b>                   | <b>262.91</b>   | <b>77.26</b>    | <b>562.83</b>   |                  |
| Less: Exceptional Items   | 247.63          | -135.25         | -               |                  |
| <b>Profit/(Loss) before tax</b>   | <b>15.28</b>    | <b>212.51</b>   | <b>562.83</b>   |                  |
| Tax Expense   |                 |                 |                 |                  |
| Current Tax   | 12.36           | 62.80           | 147.65          |                  |
| Current Year  | -               | -               | -               |                  |
| Earlier Year  | -               | -               | -               |                  |
| Deferred tax  | -               | -               | 10.92           |                  |
| <b>Total Tax Expense</b>  | <b>12.36</b>    | <b>62.80</b>    | <b>158.57</b>   |                  |
| <b>Profit/(Loss) for the year</b>                                       | <b>2.92</b>     | <b>149.71</b>   | <b>404.26</b>   |                  |
| <b>Net Profit Margin</b>  | <b>-</b>        | <b>4%</b>       | <b>9%</b>       |                  |

| <b>Balance Sheet</b>            |                 |                 |                 | <b>(In Lacs)</b> |
|---------------------------------|-----------------|-----------------|-----------------|------------------|
| <b>Particulars</b>              | <b>FY 21</b>    | <b>FY 22</b>    | <b>FY 23</b>    |                  |
| <b>ASSETS</b>                   |                 |                 |                 |                  |
| <b>Non-Current Assets</b>       |                 |                 |                 |                  |
| Property, Plant and Equipment   | 2,791.64        | 2,731.94        | 2,646.75        |                  |
| Capital Work in Progress        | -               | -               | 59.69           |                  |
| Non-Current Investments         | 71.08           | 71.08           | 2.63            |                  |
| Other Non-Current Assets        | 368.84          | 335.90          | 324.62          |                  |
| Long term loans and advances    | 200.64          | 200.64          | 70.65           |                  |
| <b>Total Non-Current assets</b> | <b>3,432.20</b> | <b>3,339.56</b> | <b>3,104.34</b> |                  |
| <b>Current Assets</b>           |                 |                 |                 |                  |
| Inventories                     | 2,630.41        | 2,906.06        | 2,950.04        |                  |
| Financial Assets                |                 |                 |                 |                  |

| <b>Balance Sheet</b>                      |                  | <b>(In Lacs)</b> |                  |
|---|------------------|------------------|------------------|
| (i) Investments                           | -                | -                | -                |
| (ii) Trade Receivables                    | 4,233.03         | 3,452.75         | 4,337.74         |
| (iii) Cash and cash equivalents           | 129.29           | 64.90            | 80.02            |
| (iv) Short Term Loans and Advances        | 1,679.2          | 1,613.94         | 1,640.18         |
| Other Current assets                      | -                | -                | -                |
| <b>Total Current assets</b>               | <b>8,671.93</b>  | <b>8,037.65</b>  | <b>9,007.98</b>  |
| <b>Total Assets</b>                       | <b>12,104.13</b> | <b>11,377.21</b> | <b>12,112.32</b> |
| <b>EQUITY AND LIABILITIES</b>             |                  |                  |                  |
| <b>Equity</b>                             |                  |                  |                  |
| Equity Share Capital                      | 495.03           | 495.03           | 1,732.62         |
| Instruments entirely equity in nature     | -                | -                | -                |
| Reserve and surplus                       | 3,812.10         | 3,933.23         | 3,069.73         |
| <b>Total Equity</b>                       | <b>4,307.13</b>  | <b>4,428.26</b>  | <b>4,802.35</b>  |
| <b>Liabilities</b>                        |                  |                  |                  |
| <b>Non-current liabilities</b>            |                  |                  |                  |
| Deferred Tax Liability (net)              | 192.13           | 192.13           | 203.05           |
| Long -term borrowing                      | 3,268.61         | 3,527.25         | 3,522.34         |
| Other Long-Term Liabilities               | -                | 339.75           | 360.80           |
| <b>Total Non-current liabilities</b>      | <b>3,460.74</b>  | <b>4,059.13</b>  | <b>4,086.19</b>  |
| <b>Current liabilities</b>                |                  |                  |                  |
| Short-Term Borrowings                     | 1,615.08         | 1,703.66         | 1,736.64         |
| (iii) Trade payables                      | -                | -                | -                |
| Total outstanding dues of micro and small | 7.27             | 14.11            | 16.02            |
| Total outstanding dues of other creditors | 2,296.96         | 632.80           | 798.55           |
| Other current liabilities                 | 372.63           | 432.11           | 417.79           |
| Provisions                                | 44.33            | 107.13           | 254.78           |
| Current tax liabilities (Net)             | -                | -                | -                |
| <b>Total Current liabilities</b>          | <b>4,336.27</b>  | <b>2,889.81</b>  | <b>3,223.78</b>  |
| <b>Total Liabilities</b>                  | <b>7,797.01</b>  | <b>6,948.94</b>  | <b>7,309.97</b>  |
| <b>Total Equity and Liabilities</b>       | <b>12,104.14</b> | <b>11,377.20</b> | <b>12,112.32</b> |

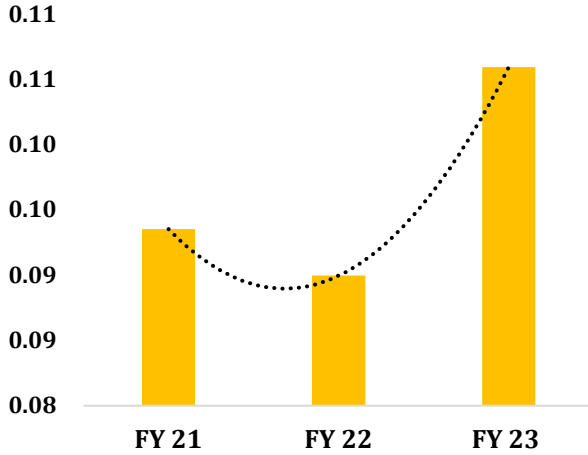
| <b>Cash Flow Statement</b>              |              | <b>(In Lakhs)</b> |              |
|---|--------------|-------------------|--------------|
| <b>Particulars</b>                      | <b>FY 21</b> | <b>FY 22</b>      | <b>FY 23</b> |
| Net Cash Flow from operating activities | 47.84        | -557.44           | 143.20       |
| Net Cash Flow from investing activities | 27.75        | -15.78            | 10.05        |
| Net Cash Flow from financing activities | -94.93       | 508.83            | -138.14      |

| <b>Ratio Sheet</b>                 |              |              |              |
|------------------------------------|--------------|--------------|--------------|
| <b>Particulars</b>                 | <b>FY 21</b> | <b>FY 22</b> | <b>FY 23</b> |
| <b><u>Per Share Data</u></b>       |              |              |              |
| Diluted EPS                        | 0.02         | 0.86         | 2.32         |
| BV per share                       | 17.40        | 17.89        | 19.41        |
| <b><u>Operating Ratios (%)</u></b> |              |              |              |
| EBITDA Margins                     | 9.35%        | 9.00%        | 10.59%       |
| PAT Margins                        | 0.09%        | 4.38%        | 8.79%        |
| Inventory days                     | 314.62       | 311.28       | 254.45       |
| Debtor days                        | 506.30       | 369.83       | 374.15       |
| Creditor days                      | 480.95       | 100.44       | 102.10       |
| <b><u>Return Ratios (%)</u></b>    |              |              |              |
| RoCE                               | 3%           | 3%           | 4%           |
| RoE                                | -            | 3%           | 8%           |
| <b><u>Valuation Ratios (x)</u></b> |              |              |              |
| EV/EBITDA                          | 25.87        | 26.03        | 18.61        |
| Market Cap / Sales                 | 1.87         | 1.67         | 1.35         |
| P/E                                | 1,150.00     | 26.74        | 9.91         |
| Price to Book Value                | 1.32         | 1.29         | 1.19         |
| <b><u>Solvency Ratios</u></b>      |              |              |              |
| Debt / Equity                      | 1.13         | 1.18         | 1.10         |
| Current Ratio                      | 2.00         | 2.78         | 2.79         |
| Quick Ratio                        | 1.39         | 1.78         | 1.88         |
| Asset Turnover                     | 0.25         | 0.30         | 0.35         |
| Interest Coverage Ratio            | 1.18         | 1.39         | 2.05         |

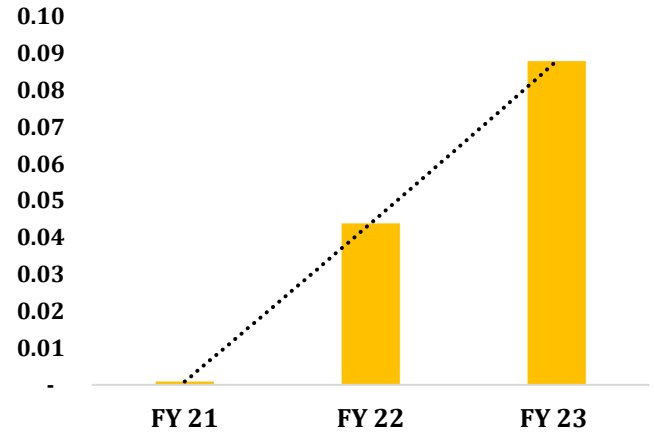


## Financial Charts

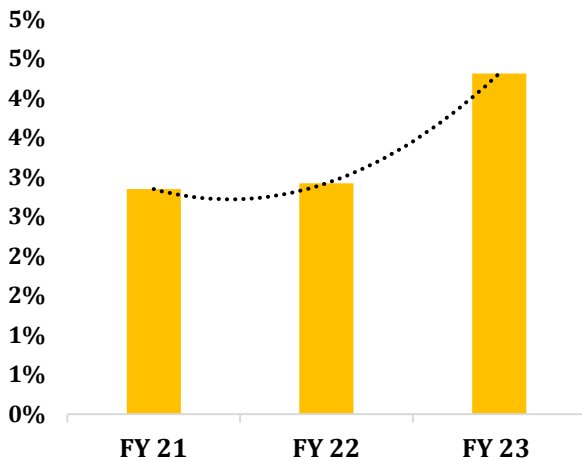
### EBITDA Margin



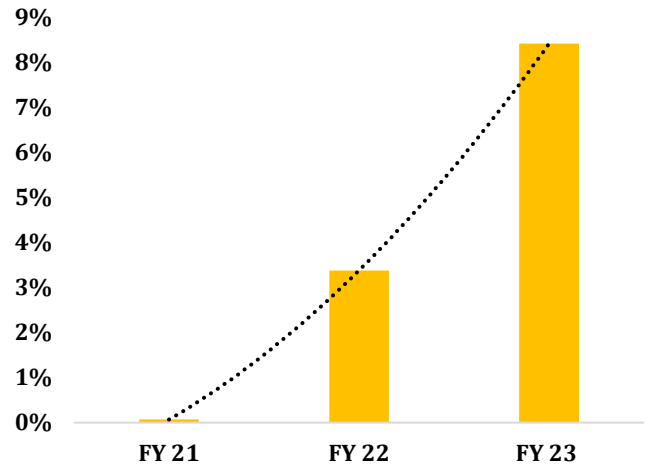
### Net Profit Margin



### Return On Capital Employed



### Return on Equity



## Key Risk Factors

1. Company and Directors are parties to certain legal proceedings of amount ₹8,380.81 Lakhs. Any adverse decision in such proceedings may have a material adverse effect on business, result of operations and financial conditions.
2. Company has certain contingent liabilities of amount ₹718.17 Lakhs which, if materialised, may adversely affect financial condition.
3. Company mainly dependent on exports for sale of products. Consequently, and exposed to foreign currency fluctuations risks which may have an adverse effect on business, result of operations and financial condition.
4. Group Company has incurred losses in the past and may incur losses in the future.

**Track Record of Lead Manager**

The lead manager to the issue is Affinity Global Capital Market Private. A table has been set below highlighting the details of the IPO of the last company handled by the Lead Manager in recent times –

**Affinity Global Capital Market Private Limited**

| Sr. No. | Company Name                   | Issue Size in Cr. | Issue Price/Share (In INR) | Listing Date | CMP* (INR) |
|---------|--------------------------------|-------------------|----------------------------|--------------|------------|
| 1.      | Auro Impex & Chemicals Limited | 27.07             | 78.00                      | May 23, 2023 | 72.20      |

\*CMP for all the above-mentioned companies is taken as on 05<sup>th</sup> Sep 2023.

As per the offer document Affinity Global Capital Market Private has 1 mandate till date and it is opened at discount.

### Recommendation

The company has been into this industry since 1997 and has decent track record of existence. The revenue of the company along with the profit margins has shown extra-ordinary growth raising questions on its sustainability. Alok Prakash has over 24 years of experience in the Industrial Safety Industry that includes Industrial Safety products from head to toe and the other promoters and directors doesn't have much experience.

The PE on an annualised and Post IPO basis is around 14.08 times which seems to be fully priced. The company inventory, debtor, creditor days are very high and the company has litigation amount of ₹83crore which is more than its market cap hence **Risk Averse Investors should wait, and Risk Seekers should apply.**

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