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NEWJAISA TECHNOLOGIES LIMITED
(Formerly known as “Newjaisa Technologies Private Limited”)
CIN: U32106KA2020PLC134935

Our Company was originally incorporated as ‘Newjaisa Technologies Private Limited’ as a private limited company under the provisions of the Companies Act, 2013, pursuant to a certificate of incorporation dated June 16, 2020 issued by the Registrar of Companies, Central Registration Centre bearing CIN U32106KA2020PTC134935. Subsequently, pursuant to Special Resolution passed by the Shareholders at the Extra Ordinary General Meeting, held on May 04, 2023, our Company was converted into a Public Limited Company and consequently the name of our Company was changed from “Newjaisa Technologies Private Limited” to “Newjaisa Technologies Limited” vide a fresh certificate of incorporation dated June 27, 2023 issued by the Registrar of Companies, Bangalore, Karnataka, bearing CIN U32106KA2020PLC134935. For further details please refer to section titled “*History and Corporate Structure*” beginning on page 129 of the Draft Red Herring Prospectus.

Registered Office: 207/B2, 2nd Cross Road, J.C, Industrial Estate Bikasipura Main Road, Off Kanakpura Road, Near Delhi Public School, Bangalore, 560078, Karnataka, India

Contact Person: Mrs. Poonam Jain, Company Secretary and Compliance Officer.

Tel: +91- 93901 77182; **E-mail:** cs@newjaisa.com; **Website:** https://newjaisa.com/

NOTICE TO INVESTORS: ADDENDUM TO THE DRAFT RED HERRING PROSPECTUS (THE “ADDENDUM”)

INITIAL PUBLIC OFFER OF UPTO 85,00,000 EQUITY SHARES OF FACE VALUE OF ₹ 5/- EACH (THE “EQUITY SHARES”) OF NEWJAISA TECHNOLOGIES LIMITED (“OUR COMPANY” OR “NEWJAISA” OR “THE ISSUER”) AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING UP TO ₹ [●] LAKHS (“PUBLIC ISSUE”) OUT OF WHICH [●] EQUITY SHARES OF FACE VALUE OF ₹ 5/- EACH, AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE (THE “MARKET MAKER RESERVATION PORTION”). THE PUBLIC ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF [●] EQUITY SHARES OF FACE VALUE OF ₹ 5/- EACH, AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING UPTO ₹ [●] LAKHS IS HEREIN AFTER REFERRED TO AS THE “NET ISSUE”. THE PUBLIC ISSUE AND NET ISSUE WILL CONSTITUTE [●]% AND [●]% RESPECTIVELY OF THE POST- ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BRLM AND WILL BE ADVERTISED IN [●] EDITION OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER) AND [●] EDITION OF [●] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER, AND BANGALORE EDITION OF [●], A REGIONAL NEWSPAPER (KANNADA BEING THE REGIONAL LANGUAGE OF BANGALORE WHERE OUR REGISTERED OFFICE IS LOCATED), AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO THE SME PLATFORM OF NSE (“NSE EMERGE”) FOR THE PURPOSES OF UPLOADING ON THEIR WEBSITE.

This is with further reference to the Draft Red Herring Prospectus dated August 01, 2023 filed by Our Company with the National Stock Exchange of India Limited.

Potential Bidders may note the following:

1. The Section titled “*Risk Factors*” beginning on page 28 of the Draft Red Herring Prospectus has been updated with revision/incorporation of certain internal risk factors and consequent renumbering.
2. The Section titled “*Objects of the Issue*” beginning on page 80 of the Draft Red Herring Prospectus has been updated with modification in the following heads:
 - a) Validity of the quotations provided by the vendors.
 - b) Additional details on the Human resource cost and server / hardware cost
 - c) Elaboration of the Object relating to ‘Funding of Working Capital Requirement’.
3. The Section titled “*Our Business*” beginning on page 110 of the Draft Red Herring Prospectus has been updated with inclusion additional details like revenue bifurcation for online and offline sale for past three financial years, revenue bifurcation for all products for past three financial years and explanatory notes for all the pictorial presentation of the process flow.
4. The Section titled “*Our Management*” beginning on page 134 of the Draft Red Herring Prospectus has been updated with inclusion of experience of Mr. Ashish Nirmal, Chief Financial Officer and Mrs. Poonam Jain, Company Secretary and Compliance Officer.

5. The Section titled “*Outstanding Litigations And Material Developments*” beginning on page 213 of the Draft Red Herring Prospectus has been updated with inclusion of details (the detailed subject matter, state in which the case is being filed, amount involved, assessment year to which it pertains, any interim order passed by the authority) of the Tax Proceedings as reported in the DRHP.
6. The Section titled “*Government And Other Approvals*” beginning on page 216 of the Draft Red Herring Prospectus has been updated to include the confirmation regarding the requirement of any other approval/ licenses for its business activities.

The above changes are to be read in conjunction with the Draft Red Herring Prospectus and accordingly their references in the Draft Red Herring Prospectus stand updated pursuant to this Addendum. The information in this Addendum supplements the Draft Red Herring Prospectus and updates the information in the Draft Red Herring Prospectus, as applicable. Please note that the information included in the Draft Red Herring Prospectus will be suitably updated, including to the extent stated in this Addendum, as may be applicable in the Red Herring Prospectus and the Prospectus, as and when filed with the RoC, SEBI and the Stock Exchange. Investors should read the Red Herring Prospectus as and when filed with the RoC, SEBI and the Stock Exchange before making an investment decision in the Issue. All capitalized terms used in this Addendum shall, unless the context otherwise requires, have the meaning ascribed to them in the Draft Red Herring Prospectus.



Place: Bangalore Date: September 06, 2023	For Newjaisa Technologies Limited (Formerly known as “Newjaisa Technologies Private Limited”) On behalf of the Board of Directors Sd/- Mrs. Poonam Jain, Company Secretary and Compliance Officer.	
BOOK RUNNING LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE	
		
INDORIENT FINANCIAL SERVICES LIMITED Registered Office Address: A/501, Rustomjee Central Park, Executive Spaces, Andheri Kurla Road, Chakala, Mumbai – 400093, Maharashtra, India. Tel: +91-79772 12186 E-mail: compliance-ifsl@indorient.in Investor Grievance E-mail: wecare@indorient.in Website: www.indorient.in Contact Person: Mr. Ivor Anil Misquith SEBI Registration No: INM000012661 CIN: U67190DL1993PLC052085	BIGSHARE SERVICES PRIVATE LIMITED S6-2, 6 th Pinnacle Business Park, Mahakali Caves Road, next to Ahura Centre, Andheri East, Mumbai- 400093, Maharashtra, India Tel No.: +91 – 22 – 6263 8200 Fax No. +91 – 22 – 6263 8299 E-mail: ipo@bigshareonline.com Investor Grievance Email: investor@bigshareonline.com Website: www.bigshareonline.com Contact Person: Mr. Babu Rapheal C SEBI Registration No: INR000001385 CIN: U99999MH1994PTC076534	
ISSUE PROGRAMME		
ANCHOR PORTION ISSUE OPENS/CLOSES ON: [●]	BID/ISSUE OPENS ON: [●]	BID/ISSUE CLOSES ON: [●]

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SECTION II-RISK FACTORS

The Section titled “*Risk Factors*” beginning on page 28 of the Draft Red Herring Prospectus has been updated with revision/incorporation of certain internal risk factors and consequent renumbering as below:

INTERNAL RISKS FACTORS:

1. ***Our commercial success is largely dependent upon our ability to successfully anticipate market needs and utilize and manage our resources to upgrade and enhance existing products, develop and introduce new products that meet the end users’ needs on a timely basis. Any failure to do so, might impact our ability to compete effectively and could make our products obsolete, thereby adversely affecting our revenue, reputation, financial conditions, results of operations and cash flow***

Our market is characterized by rapid technological change, evolving industry standards, and changing regulations, as well as changing customer needs, requirements, and preferences. The success of our business is dependent, in part, on our ability to anticipate, adapt, and respond effectively to these changes on a timely and cost-effective basis. The success of any enhancement to our existing products or the deployment of new products depends on several factors, including the timely completion and market acceptance of our offerings. Any enhancement to our existing offerings or new offerings that we develop and introduce involves significant commitment of time and resources and is subject to a number of risks and challenges including:

- ensuring the timely release and availability of new products
- resolving defects, errors, or failures in our products
- ensure seamless supply chain process to manage logistics and deliveries to end customers

Although there have been no such instances/issues in the past wherein we have failed to anticipate, adapt, and respond effectively to the changes in the market needs on a timely and cost-effective basis or failed to successfully manage the risks and challenges in relation to new offerings, or where our new products were not competitive, however, in the event if we are not successful in managing these risks and challenges, or if our new offerings are not competitive or do not achieve market acceptance, our business, financial condition, and results of operations could be adversely affected.

2. ***We do not have long-term agreements with our suppliers and an inability to procure the desired quality, quantity of our IT Supplies in a timely manner and at reasonable costs, or at all, may have a negative impact on our business, results of operations, financial.***

Our purchases of IT Supplies are concentrated from a few suppliers with our top 10 suppliers contributing 85.69%, 67.73 % and 95.20% of the total purchases of IT Supplies during the Fiscal 2023, 2022 and 2021 respectively. Our ability to remain competitive, maintain costs and profitability depend, in part, on our ability to source and maintain a stable and sufficient supply of IT supplies at acceptable prices. The absence of long-term supply contracts subjects us to risks such as price volatility caused by various factors.

Further there is a ban on import of used computers and computer peripherals as the Ministry of Commerce has restricted the import of used computers including personal computers/ laptops and refurbished/reconditioned spares for use in domestic market. As a result, we continue to remain susceptible to the risks arising out of price of IT Supplies, which could result in a decline in our operating margins. If we cannot fully offset the increase in prices of IT Supplies with increase in the prices for our products, we will experience lower profit margins, which in turn may have a material adverse effect on our results of operations, financial condition and cash flows. In the absence of such contracts, we are also exposed to the risk of unavailability of IT Supplies in desired quantities and qualities, in a timely manner and that can have an adverse effect on our business and reputation.

Further, we cannot assure you of our ability to enter into any agreements with our existing suppliers on terms acceptable to us, which could have an adverse effect on our ability to source IT Supplies in a commercially viable and timely manner which may impact our business and profitability.

In addition, if all or a significant number of our suppliers for any particular IT Supplies are unable or unwilling to meet our requirements or if our estimates fall short of the demand, we could suffer shortages or significant cost increases. Continued supply disruptions in IT Supplies could exert pressure on our costs, and we cannot assure you that all or part of any increased costs can be passed along to our customers in a timely manner or at all, which could negatively affect our business, overall profitability and financial performance.

3. *Failure to manage our inventory and increase in the prices of used computer and laptops and other related products (“Inputs”) could raise our cost of refurbished products and could have an adverse effect on our net sales, profitability, cash flow and liquidity.*

The results of operations of our business are dependent on our ability to effectively manage our inventory and to estimate our sales based on the demand and customer product preferences | specifications. To effectively manage our inventory, we must be able to accurately estimate customer demand and accordingly manage supply side procurements of IT assets and inventory of spares. Our inability to accurately estimate demand and manage our supply chain process could result in shortage of products and inability to meet demand or excess inventory which will impacts our business, financial condition and results of operations.

Further, if we fail to sell the inventory we purchase, we may be required to write-down our inventory, which could have an adverse impact on our financial statements.

"If we over-stock inventory, our capital requirements will increase and we will incur additional financing costs. If we under-stock inventory, our ability to meet customer demand may be adversely affected. Any mismatch in our inventory planning could lead to potential excess inventory or out-of-stock situations, either of which could have an adverse effect on our business, financial condition and results

We have no control on the prices of input components such as RAM, Hard-disk etc that are used in the refurbishment process. The prices of these items fluctuate due to demand and supply factors. Such fluctuations in prices of Inputs and our inability to negotiate at optimum rates may affect our profitability. To remain competitive, we may not be able to pass on any increase in cost of such inputs to our clients and may thereby affect our margins and profitability, resulting in a adverse effect on our business, financial condition and results of operations.

4. *Disruptions in supply -chain logistics can impact our sales and results of operation*

We use third party transportation providers for the delivery of supplies as well as dispatch of products to customers including reverse logistics to handle returns from customers. We do not have any long term contract with such third party logistics providers for the deliveries and returns from the customers. Apart from Covid19 induced disruption period, we have not experienced any significant disruption with third party logistics service providers. However, it's imperative to acknowledge the potential impact should these third-party logistics providers encounter operational disruptions, display reluctance to fulfill assigned tasks, or become inaccessible to support our operations. Such circumstances have the potential to impede our company's ability to adhere to its projections and forecasts.

5. *We provide guarantees and warranties on our products. A significant increase in returns and activation of warranty provisions by customers may impact our business and results from operations.*

As part of our business, we have a policy to provide product guarantees and warranties to our customers. Some of these policies are supported by warranty policies of online e-commerce channels we use to sell our products.

Cost of merchandise returns in an e-commerce business is mainly absorbed by the business. This includes cost of delivery, freight and risk of fraud returns that may lead to additional cost. In some cases, the returned inventory is not suitable for resale which further impacts our overall margins.



Disputes over warranties of our products can arise in the ordinary course of our business. In extreme situations, we may be exposed to various liabilities relating to non performance of our products. We may experience material product liability losses, and we may be unable to defend these claims at a contained level of cost or at all. The cost of product replacements or product returns in the future may be substantial, particularly given our increasing product categories and models, and we could incur substantial costs to implement modifications or replace products. As per the Restated Financial Statement, an amount of ₹ 1.04 Lakh has been provided in FY 2023 towards warranty liabilities

6. *Employee fraud or misconduct could harm us by impairing our ability to attract and retain clients and subject us to significant legal liability and reputational harm.*

Our business is exposed to the risk of employee misappropriation, fraud or misconduct. Our employees could make improper use or disclose confidential information, which could result in regulatory sanctions and serious reputational or financial harm. While we strive to monitor, detect and prevent fraud or misappropriation by our employees, through various internal control measures, we may be unable to adequately prevent or deter such activities in all cases. While we have not been able to identify such issues in the past, there could be instances of fraud and misconduct by our employees, which may go unnoticed for certain periods of time before corrective action is taken.

In addition, we may be subject to regulatory or other proceedings, penalties or other actions in connection with any, fraud or misappropriation by our employees, which could adversely affect our goodwill, business prospects and future financial performance. We may also be required to make good any monetary loss to the affected party. Even when we identify instances of fraud and other misconduct and pursue legal recourse or file claims with our insurance carriers, we cannot assure you that we will recover any amounts lost through such fraud or other misconduct.

7. *Intellectual property rights are important to our business. Failure to get approval for intellectual property rights may adversely affect our business. We may be unable to protect them from being infringed by others, including our current and / or future competitors/employees which may adversely affect our business value, financial condition and results of operations.*

Our Company has applied for registration of our trademarks and corporate logo “ NewJaisa” (Wordmark and Device), with the Trademarks Registry, out which the application for registration of “ NewJaisa ” Device is objected and the application for registration of Wordmark is pending for approval as on the date of this Draft Red Herring Prospectus.

Our Company has filed its reply to the aforesaid objection. For further details, see “*Government and Other Approvals*” on page 216 of this this Draft Red Herring Prospectus. However, there can be no assurance that said application will succeed or we will be successful in removal of the said objection. If our Company is unable to obtain registration or if the trademark or corporate logo that we use are registered in favour of or used by a third party in India or abroad, we may not be able to claim registered ownership of such trademark. We may still continue to use the tradename and the corporate logo but remain vulnerable to litigations, infringement and passing-off by third parties and will not be able to enforce any rights against them. We may also need to change our corporate logo which may adversely affect our reputation and business and could require us to incur additional costs. Further, our efforts to protect our intellectual property may not be adequate and may lead to erosion of our business value and our operations could be adversely affected. This may also lead to litigations and any such litigations could be time consuming and costly and their outcome cannot be guaranteed. Our Company may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect our intellectual property, which may adversely affect our business, financial condition and results of operations. Further, if we do not maintain our brand name and identity, which is a principal factor that differentiates us from our competitors, we may not be able to maintain our competitive edge in India and abroad. If we are unable to compete successfully, we could lose our customers, which would negatively affect our financial performance and profitability. Moreover, our ability to protect, enforce or utilize our brand name is subject to risks, including general litigation risks.

Furthermore, we cannot assure you that such brand name will not be adversely affected in the future by actions that are beyond our control, including customer complaints or adverse publicity from any other source in India and abroad. Any damage to our brand name, if not immediately and sufficiently remedied, could have an adverse effect on our business and competitive position in India and abroad. Further, while we take care to ensure that we comply with the intellectual property rights of others, we cannot determine with certainty that we are not infringing any existing third-party intellectual property rights and we may also be susceptible to claims from third parties asserting infringement and other related claims in India and abroad. For further details pertaining to our intellectual property, see “*Our Business*” on page 110 of this Draft Red Herring Prospectus.

8. *Our Industry is labour intensive and our business operations may be adversely affected by strikes, work stoppages or increased wage demands by our employees.*

Our industry being labour intensive is dependent on labour force for carrying out its operations. Shortage of skilled/unskilled personnel or work stoppages caused by disagreements with employees could have an adverse effect on our business and results of operations. Though we have not experienced any major disruptions in our business operations due to disputes or other problems with our work force in the past; however, there can be no assurance that we will not experience such disruptions in the future. Such disruptions may adversely affect our business and results of operations and may also divert the management’s attention and result in increased costs. India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. We are also subject to laws and regulations governing relationships with employees, in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees and work permits. Although our employees are not currently unionized, there can be no assurance that they will not unionize in the future. If our employees unionize, it may become difficult for us to maintain, flexible labour policies, and we may face the threat of labour unrest, work stoppages and diversion of our management’s attention due to union intervention, which may have a material adverse impact on our business, results of operations and financial condition.

9. Our business is subject to seasonality (as we see higher demand of our products from our customers during the festive seasons), which may contribute to fluctuations in our periodical results of operations and financial condition.

Our business is subject to seasonality as we see higher demand of our products from our customers during the festive seasons which generally starts from Dusshrea/Diwali/ Christmas / New Year onwards and higher demand from SME clients in month of February and March. Accordingly, our results of operations and financial condition in one quarter/period may not accurately reflect the trends for the entire financial year and may not be comparable with our results of operations and financial condition for other quarters/periods. Additionally, any significant event such as unforeseen economic slowdown, political instabilities or epidemics during these peak seasons may adversely affect our business and results of operations.”

10. Our Company requires significant amount of working capital for a continuing growth. Our inability to meet our working capital requirements may adversely affect our results of operations.

Our business requires a significant amount of working capital. We need to fund cost of procurement of used IT inventory in advance, the inventory is then passed through the refurbishment process including internal test and controls before it is ready for sales and dispatch. As per restated financial statement, our average working capital requirement was ₹ 883.97 Lakhs, ₹ 223.51 Lakhs and ₹ 48.63 Lakhs during the Fiscal 2023, 2022 and 2021 respectively. In view of the above, we propose to utilise a portion of the Net Proceeds of this Offer amounting to ₹ 1,545.44 Lakhs towards funding our working capital requirements for the Financial Years 2024. While we believe that utilization of Net Proceeds towards funding of working capital would enable effective utilization of funds for further investment in business growth and expansion, such funding will not result in the creation of any tangible assets for our Company.

Given our growth and expansion strategies could result in an increase in the working capital requirements. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and could have a significant effect on our profitability and cash flows and we may be subject to additional covenants, which could limit our ability to access cash flows from operations. Any issuance of equity, on the other hand, could result in a dilution of your shareholding. Accordingly, continued increases in our working capital requirements may have an adverse effect on our financial condition and results of operations.

11. We may not be able to scale our business quickly enough to meet our customers' growing needs and if we are not able to grow efficiently, our operating results could be harmed.

Since our incorporation, we have experienced significant growth in our operations, which has placed a strain on our management, administrative, operational and financial infrastructure. We anticipate that additional investments in our infrastructure spending will be required to scale our operations and increase productivity, to address the needs of our customers, to further develop and enhance our products.

Our success will depend in part upon the ability of our senior management to manage our projected growth effectively. To do so, we must continue to increase the productivity of our existing employees and to hire, train and manage new employees as needed. To manage the expected growth of our operations and personnel, we will need to continue to improve our operational, financial and management controls and our reporting systems and procedures. The additional investments we are making will increase our cost base, which will make it more difficult for us to offset any future revenue shortfalls by reducing expenses in the short term. While we have not experienced any shortcomings in the past in successfully scaling our operations and increasing productivity, however if we fail to achieve the same in the future, we will be unable to execute our business plan, which could materially adversely affect our business prospects and results of operations.

12. Our expansion into new product categories and an increase in the number of products offered by us may expose us to new challenges and more risks.

In order to achieve our goals, we are constantly evaluating the possibilities of expanding our business through newer models of existing products or introducing newer product categories aligned with our current expertise. Although we believe that there are synergies between our current business and our expansion plans, we may not have the depth of expertise in these new product categories. Such initiatives may pose significant challenges to our administrative, financial and operational resources, and additional risks, including some of which we are not aware of. Our product expansion initiatives may require capital and other resources, as well as management attention, which could place a burden on our resources and abilities. If we cannot successfully manage our product mix, address new challenges or compete effectively, we may not be able to recover costs of our investments and eventually achieve profitability, and our future results of operations and growth prospects may be materially and adversely affected.

13. *If our products fail to perform properly due to defects, or similar problems, and if we fail to develop enhancements to resolve any defect or other problems, we could lose customers, become subject to negative publicity which could affect our business and operations.*

All our products are subject to rigorous testing and quality checks before these are dispatched to customers. Our returns rate was 14.91%, 18.06% and 11.99% during the Fiscal 2023, 2022 and 2021 respectively. While our internal quality testing process are set up to minimise / reduce defects and other issues, we may not be able to identify and remediate any/all product related issues before these are sold to customers.

Any defects or other performance issues in our products could result in, among other things:

- lost revenue or delayed market acceptance in relation to our products;
- early termination of customer agreements or loss of customers;
- credits or refunds to customers;
- product liability lawsuits and other claims against us;
- diversion of development resources;
- increased expenses associated with remedying any defect, including increased technical support costs;
- injury to our brand and reputation; and
- increased maintenance and warranty costs.

We list our products on various e-commerce websites and our customers are increasingly using such platforms to provide feedback and information about products, in a manner which leads to such feedback being disseminated quickly and broadly. Our brands could be damaged by any negative publicity on social media platforms or by claims or perceptions about the quality or safety of the products sold, regardless of whether such claims or perceptions are true. Any negative publicity regarding our company or the products may affect our reputation and image which leads to the adverse effect on our business and our goodwill.

The combination of our insurance coverage, cash flows and reserves may not be adequate to satisfy product liabilities we may incur in the future. While there has been no significant performance or warranty claims against our Company for failure of performance or defect of our product, any future meritless claims could subject us to adverse publicity, hinder us from securing insurance coverage in the future, require us to incur significant legal fees, decrease demand for our products, divert management's attention, and force us to limit or forgo further development and commercialisation of these products, thereby impacting our business, financial condition, and results of operations.

14. *Our company generates e-waste during the process of refurbishment of used IT products. Major for which our company has not been able to have sustainable, efficient and effective arrangement for disposal of e-waste.*

E-waste can be toxic, is not biodegradable and accumulates in the environment, in the soil, air, water and among living things. Electronic waste contain substantial quantities of toxic elements like lithium, mercury, arsenic, barium, cadmium, cobalt, etc. These chemicals cause detrimental impacts on the environment and human health calling for urgent responsible e-waste management. India has very few recognised and government-approved recycling centres to dismantle and repurpose electronic waste efficiently and purposefully. The majority of the e-waste collected in India is managed by unorganized sector. Our company works with a government registered e-waste company for disposal of its e-waste. However, we cannot assure you that our vendor would necessarily comply with all e-waste handling rules and government guidelines which indirectly could make our company susceptible and liable for adherence to any such environmental regulations and further could lead to additional cost and an impact on our business, overall profitability and financial performance

15. *Our inability to receive or renew the necessary licenses, approvals and registrations in a timely manner or at all may lead to interruption of our Company's operations.*

Our business is subject to government regulations and we require certain approvals, licenses, registrations and permissions for operating our business. In addition, we may not be in compliance with certain conditions prescribed by such approvals or licences. Our failure to obtain such licences and approvals and comply with the applicable laws and regulations could lead to imposition of sanctions by the relevant authorities, including penalties. We believe that our units have the required permits and agreements, and that they also meet the required reporting and control requirements. For further details, see "*Government and Other Approvals*" on page 216.

Further, in future we will be required to apply for the renewal of approvals and permits for our business operations to continue. If we are unable to make applications and renew or obtain necessary permits, licenses and approvals on acceptable terms, in a timely manner or at all, we may be required to shut down or relocate our offices or warehouses and face other consequences due to which our business operations may be adversely affected. Changes in legislation and current regulations entailing

stricter requirements and changes in conditions in terms of health, safety and environment or progress towards a stricter official application of legislation and regulations may require additional investment and lead to higher costs and other undertakings which may impact our business and operations.

16. *Industry information included in this Draft Red Herring Prospectus has been derived from third party industry reports.*

We have relied on the reports of certain independent third party for purposes of inclusion of such information in this Draft Red Herring Prospectus. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate. These reports are subject to various limitations and based upon certain assumptions that are subjective in nature. We have not independently verified data from such industry reports and other sources. Although we believe that the data may be considered to be reliable, their accuracy, completeness and underlying assumptions are not guaranteed and their dependability cannot be assured. While we have taken reasonable care in the reproduction of the information, the information has not been prepared or independently verified by us, or any of our respective affiliates or advisors and, therefore, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere.

17. *We do not own our registered office and the premises where we conduct our operations and the said premises have been taken on leave and licence or lease. Any termination of these agreements may require us to vacate such premises and adversely affect our business operations:*

We currently operate from our registered office, located at 207/B2, 2nd Cross Road, J.C, Industrial Estate Bikasipura Main Road, Off Kanakpura Road, Near Delhi Public School Bangalore, 560078, Karnataka, India and the same is not owned by us. We have taken the said premises on leave and licence basis from Mr. Jai Singh Jain and the same is valid until August 31, 2023.

We are expanding our refurbishment facility at a premises located at Land Survey No.38/1B, 39/1, 39/2 and 39/3 of Arekere Village, Begur Hobli, Bangalore South Taluk, Bangalore- 560 076 and the said premises is not owned by us. We have obtained this property on lease basis from Licensor 1. Mr. Vishal Bansilal Asrani, 2. Mrs. Sharmila S Parwani, 3. Mrs. Sapna P Punjabi, 4. Mrs. Sheetal B Asrani, and 5. M/s. VB Asrani Energy Ventures (PAN: AANFV6321J), Partnership firm through Lease Deed dated March 31, 2023 for a period of 5 years i.e. from March 31, 2023 to March 31, 2028. In addition, our principal place of business and additional place of business (as per GST Certificate) are located in Karnataka, Telangana, Maharashtra and Haryana. We have obtained these properties based on no objection certificate from the owners and/or and leave and licence arrangements. Periodic renewals of such lease may increase our costs, since it is subject to rent escalation. Any termination of the lease and/or rental deed in connection with this property or our failure to renew the same, and upon favourable conditions, in a timely manner or at all could adversely affect our operations.

If any such lease agreement under which we occupy the premises is not renewed on terms and conditions that are favourable to us, or at all, we may suffer a disruption in our operation which could have a material adverse effect on our business, financial condition and results of operations. If we do not comply with certain conditions of the lease, the lessor may terminate the lease, which could have an adverse effect on our operations and there can be no assurance that renewal of lease agreement with the owner will be entered into. In the event of non-renewal of lease, we may be required to shift our office to a new location and there can be no assurance that the arrangement we enter into in respect of new premises would be on such terms and conditions as the present one. For more details on properties taken on lease by our Company, please refer section titled “Our Business” beginning on page 110 of the Draft Red Herring Prospectus

18. *The market for our refurbished products is relatively new and evolving. If the market does not develop further, develops more slowly, or in a way that we do not expect, our business will be adversely affected*

The market size of new PC shipment currently stands at 12.4 MM units for fiscal year 2023 (as per report in MINT dated April 16 2023) vis- a - vis the refurbished IT equipment market which is at 2.9 MM units (source “Future Market Report”) and therefore aggregates to approx. 20% of the overall market size. The market is currently growing at a CAGR of 6.3% (source “Future Market Report”) and is largely serviced by un-organised sector. As highlighted in the section titled “Our Industry” on Page 97 the key factors driving demand for refurbished products include product pricing, quality, remote work, online learning and penetration of e-commerce sales channels and we expect that these factors will continue to influence the demand and growth for refurbished IT equipment. However given that the supply side is dominated by un-organised players, the segment runs the risk of negative publicity and loss of consumer confidence if product quality, durability and other performance factors are not maintained improved which could have the impact on overall sales of such refurbished IT products, reduce the overall market size and impact our business and financials.

19. We are dependent on our Promoters and Directors for the execution of our business strategy. We are also dependent on a number of Key Managerial Personnel and our senior management, and the loss of, or our inability to attract or retain such persons could adversely affect our business, results of operations and financial condition.

We are highly dependent on the continued contributions and customer relationships of our Promoters and Directors. Our promoters Mr. Vishesh Handa and Mr. Mukunda Raghavendra are responsible for the execution of our business strategy and have been actively involved in the day-to-day operations and management since the incorporation of the Company. If our Promoter and Directors are unable or unwilling to continue in their present position, we may not be able to replace them easily or at all. The loss of their services could impair our ability to implement our strategy, and our business, financial condition, results of operations and prospects may be materially and adversely affected.

Our performance also depends largely on the efforts, expertise and abilities of our Key Managerial Personnel, senior management, and our operational personnel who possess significant experience in the industry in which we operate. Our Key Management Personnel, Company Secretary is associated with the Company for a period of less than one year therefore they may not have been accustomed to the company affairs till date. We believe that the inputs and experience of our KMP and senior management, in particular, and other key personnel are valuable for the development of our business, operations and the strategic directions taken by our Company. We cannot assure you that these individuals or any other member of our senior management team will not leave us or join a competitor or that we will be able to retain such personnel or find adequate replacements in a timely manner, or at all. We may require a long period of time to hire and train replacement personnel when qualified personnel terminate their employment with our Company. Moreover, we may be required to substantially increase the number of our qualified personnel in connection with any future growth plans, and we may face difficulty in doing so due to the intense competition in the technology industry for such personnel. We may also be required to increase our levels of employee compensation more rapidly than in the past in order to remain competitive in retaining our workforce.

20. We have not made any alternate arrangements for meeting our capital requirements for the Objects of the Issue. Further we have not identified any alternate source of financing the Objects of the Issue. Any shortfall in raising / meeting the same could adversely affect our growth plans, business operations and financial condition

As on date of this Draft Red Herring Prospectus, we have not made any alternate arrangements for meeting our capital requirements for some of the objects of the Issue. We meet our capital requirements through, owned funds and internal accruals. Any shortfall in our net owned funds, internal accruals and our inability to raise debt in future would result in us being unable to meet our capital requirements, which in turn will negatively affect our financial condition and results of operations. Further we have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this Issue or any shortfall in the Issue proceeds may delay the implementation schedule and could adversely affect our growth plans. For further details, please refer to the chapter titled “Objects of the Issue” beginning on page 80 of this Draft Red Herring Prospectus.

21. Our Company proposes to utilize part of the Net Proceeds for repayment or pre-payment, in full or in part, of all or certain borrowings availed by our Company from various banks and financial institutions and accordingly, the utilization of that portion of the Net Proceeds will not result in creation of any tangible assets.

Our Company intends to utilise a part of the Net Proceeds for repayment or pre-payment, in full or in part, of all or certain borrowings availed by our Company from various banks and financial institutions. The loans were availed from various banks and financial institutions aggregating to ₹ 1000 Lakhs to meet working capital requirement.

The details of the loans identified to be repaid or prepaid using the Net Proceeds and the purpose for which the said loans have been utilized have been disclosed in the section titled “Objects of the Issue - Repayment or pre-payment, in full or in part, of all or certain borrowings availed by our Company” on page 80 of this Draft Red Herring Prospectus. While we believe that utilization of Net Proceeds for repayment of secured loans would help us to reduce our cost of debt and enable the utilization of our funds for further investment in business growth and expansion, the pre-payment of loans will not result in the creation of any tangible assets for our Company.

22. There are certain discrepancies/errors noticed in some of our corporate records relating to forms filed with the Registrar of Companies and other provisions of Companies Act, 2013.

Our company has missed on compliance with certain statutory provisions in the past including but not limited to the details as mentioned in this risk factor. There are few discrepancies noticed in some of our corporate records relating to adhering with the provisions of SS-1 and SS-2 of the Companies Act, 2013, however upon identifying such non-compliance, the company has rectified and started complying with the provisions of SS-1 and SS-2 of companies act 2013. Our Company has inadvertently missed out on the following compliance in the past:

Form	Discrepancy	Rectification
MGT-14	Inadequate documents attached to the Form	The non-compliance being not material, no rectification steps were required.
PAS-3	Inadequate documents attached to the Form	The non-compliance being not material, no rectification steps were required.
AOC-4	Authorized Capital written as ₹ 1,00,000 instead of ₹ 35,00,000	Rectified in subsequent filings

Any penalty or action taken by any regulatory authority in future for non-compliance with provisions of corporate and other law could impact financial position of the company to that extent.

23. We have had certain inaccuracy in relation to regulatory filings and our company has made non-compliances of certain provision under applicable law.

In the past, company has made clerical mistakes in form filed with RoC. Further we have frequently delayed in filing of GST Returns and depositing the EPF with the concerned offices of the departments on several instances on account of technical, operational, and personnel challenges. We have accordingly been subjected to penalty and interest for delayed deposit of tax the details of which are as follows:

GST

Financial Year	Locations	Number of Times of Delay	Range of Delay (in Days)	Interest, Penalty & Late fees
2023-2024	Karnataka	3	19 to 52	Not yet charged
	Haryana	2	1	71
	Telangna	2	1	70
	Maharashtra	2	1	40
2022- 2023	Karnataka	3	6 to 25	9610
	Haryana	4	1 to 29	3344
	Telangna	4	1 to 29	4240
	Maharashtra	4	1 to 29	3843
2021-2022	Karnataka	4	1 to 33	2413
	Haryana	3	3 to 40	112
	Telangna	3	3 to 40	101
	Maharashtra	3	3 to 33	171
2020-2021	Karnataka	3	21 to 47	3577

EPF

Financial Year	Number of Times of Delay	Range of Delay (in Days)	Interest	Penalty
2022 – 2023	7	2 to 94	6532	4860

The company has successfully settled the interest and penalty dues, fulfilling all necessary requirements under the prevailing GST Acts and EPF Acts up to July 2023. While no-show cause notice has been issued against our Company till date, in the event of any cognizance being taken by the concerned authorities in respect of above errors and delays in filings, actions may be taken against our Company and its directors, which could impact our business and financial performance.

24. Our Independent Directors were director of companies which has been struck off from the register of companies maintained by the RoC.

Our Independent Directors were director of following companies which have been compulsorily struck off from the register of companies maintained by the relevant RoC pursuant to Section 248(1) of the Companies Act, 2013.

Sr. No.	Name of Independent Director & DIN	Name of the Strike-off Companies
1.	Mr. Purav Dineshchandra Shah DIN: 05126728	<ul style="list-style-type: none"> Infinio Techsol (India) Private Limited Infinion Consulting Private Limited
2.	Mr. Gaurav Jindal DIN: 06892227	<ul style="list-style-type: none"> Trring Media Private Limited

In the event of any action being taken against these companies or the directors of these Companies our Independent Directors may be held liable under the relevant provisions of the applicable law. Although, no notice has been received by our Independent Directors for the above, but there cannot be any assurance that the regulatory authority will not take any penal action against those companies or our Independent Directors. In case any such action is taken it may have an adverse effect on our Independent Directors and may affect the reputation of our Company.

25. *If we are unable to continue to innovate or if we fail to adapt to changes in our industry, our business, financial condition, cash flows and results of operations would be adversely affected.*

Our future success will depend on our ability to adapt and innovate. To attract new customers we will need to enhance and improve our existing products and introduce new products, features and functionality based on continuing changes in technology, industry standards and client preferences. Enhancements and new products that we develop may not be introduced in a timely or cost-effective manner, may contain errors or defects and may have interoperability difficulties with our platform or other products. If we are unable to respond in a timely, user-friendly and cost-effective manner to these rapid technological developments, or successfully adopt such advancements and deploy it profitably, our products may become less marketable and less competitive or obsolete, and our business, results of operations and financial condition may be adversely affected.

26. *Certain agreements may be inadequately stamped or may not have been registered as a result of which our operations may be impaired.*

Certain leave and license agreement(s) /rent agreement(s) entered into by us in the past may not have been adequately stamped and registered, however, the term of the said agreement(s) have expired and are no longer valid. The effect of inadequate stamping is that the document is not admissible as evidence in legal proceedings and parties to that agreement may not be able to legally enforce the same, except after paying a penalty for inadequate stamping. Any potential dispute vis-à-vis our noncompliance of local laws relating to stamp duty and registration may adversely impact our business, results of operations and financial condition. We shall initiate the process of payment of stamp duty and/or adjudication, as may be required in respect of any such agreement(s).

27. *Any deficiency in our products could make our Company liable for customer claims, which in turn could affect our Company's results of operations.*

Our Company is bound by the terms and conditions as placed before its customers. There are no specific regulations governing the supply of the same, other than the general law of contracts. Any claims made by customers for deficiency in our products, would be subject to these terms and conditions, which are in the nature of normal contractual obligations in India. Any violation of these obligations could impact our Company's results of operations.

28. *Our industry is competitive and we face significant competition from both established and un-organised companies offering refurbished products, which may have a negative effect on our ability to add new customers, retain existing customers and grow our business. Our inability to compete effectively will adversely affect our business, results of operations, financial condition and cash flows.*

Our company faces competition from organised as well as un-organised players in the IT refurbishment market. We compete on the basis of a number of factors, including execution, depth of product and service offerings, innovation, reputation and price. Our competitors may have advantages over us, including, but not limited to:

- Substantially greater financial resources;
- Longer operating history than in certain of our businesses;
- Greater brand recognition among consumers;
- Larger customer bases in and outside India; or
- More diversified operations which allow profits from certain operations to support others with lower profitability.

These competitive pressures may affect our business, and our growth will largely depend on our ability to respond in an effective and timely manner to these competitive pressures.

29. *We may not be able to successfully manage the growth of our business if we are unable to maintain adequate internal systems, processes and controls*

We have experienced considerable growth over the past three years and we have expanded our operations and product portfolio. Our total revenue grew at a CAGR of 66.67% between Fiscals 2021 and 2023, while our restated profit after tax grew at a CAGR of 109.60% between Fiscals 2021 and 2023.

We cannot assure you that our growth strategies will continue to be successful or that we will be able to continue to expand further, or at the same rate.

Our inability to execute our growth strategies in a timely manner or within budget estimates or our inability to meet the expectations of our customers and other stakeholders, could have an adverse effect on our business, results of operations and financial condition. Our future prospects will depend on our ability to grow our business and operations. Further, in order to manage our growth effectively, we must implement, upgrade and improve our operational systems, procedures and internal controls on a timely basis. While there have been no such instances in the past, however, if we fail to implement these systems, procedures and controls on a timely basis, or if there are weaknesses in our internal controls that would result in inconsistent internal standard operating procedures, we may not be able to meet our customers' needs, hire and retain new employees or operate our business effectively. Failure to manage growth effectively could adversely affect our business and results of operations.

30. *Brand recognition is important to the success of our business, and our inability to build and maintain our brand names will harm our business, financial condition and results of operation*

Brand recognition is important to the success of our business. Establishing and maintaining our brand name in the industry or for people relying on products is critical to the success of our customer acquisition strategy and for the continued growth of our business. Although, we expect to allocate significant number of resources, financial and otherwise, on establishing and maintaining our brands, no assurance can be given that our brand names will be effective in attracting and growing our user and client base or that such efforts will be cost-effective, which may negatively affect our business, financial condition and results of operations.

31. *About 45% of our sales come from the states of Tamil Nadu (26%) and Karnataka (19%). Due to this geographic concentration of our sales, our results of operations and growth might be impacted if there are adverse economic and demographic conditions in these states.*

About 45% of our sales come from the states of Tamil Nadu (26%) and Karnataka (19%). Though, our products are sold through the online channels including third party e-commerce websites and our own website, the delivery of products is not restricted to a particular geography in India. The states of Tamil Nadu and Karnataka account for about (45%) of our total deliveries. In the event of a natural calamity, economic slowdown, logistical challenges or any disruption in these states we may experience adverse impact on our results of operations, financial condition and cash flows than if it were further diversified across different geographical locations.

32. *Our business depends on sale of our products through third party online e-commerce platforms*

Although we have our own website viz., www.newjaisa.com, we are reliant on e-commerce online platforms for the sale of our products. For the Fiscal 2023, 2022 and 2021 our online sales from e-commerce platforms constituted 96.44%, 95.08% and 82.05% of our revenue from operations respectively. Factors that might prevent potential consumers from purchasing products from e-commerce platforms, including our website, include: - concerns about buying products online without a physical storefront, face-to-face interaction with sales personnel and the ability to physically handle and examine products; - concerns about delayed shipments or the inconvenience and cost of returning or exchanging items purchased online; - concerns about the security of online transactions and the privacy of personal information; and • usability, functionality and features of online platforms. Any disruption in telecommunication infrastructure in India may impact the e-commerce websites and thus impacting our business. Our business and our results of operations, financial condition, cash flows and prospects could be adversely affected if any of the third party e-commerce platform decide to unfavourably revise the terms of business including any fee charged by them for sale of our products, inventory level, delivery conditions, returns mechanism, etc

33. *Our Promoters and members of the Promoter Group have significant control over the Company and have the ability to direct our business and affairs; their interests may conflict with your interests as a shareholder.*

Upon completion of the Issue, our Promoter and Promoter Group will own [●] % of the Post-Issue Equity Share capital of the Company. As a result, the Promoter and Promoter Group will have the ability to exercise significant influence over all matters requiring shareholders' approval, including the election of directors and approval of significant corporate transactions. The Promoter and Promoter Group will also have an effective veto power with respect to any shareholder action or approval requiring a majority vote. Such concentration of ownership may also have the effect of delaying, preventing or deterring a change in control. For further details of Promoter' shareholding, please refer section titled "Capital Structure" beginning on Page 66 of Draft Red Herring Prospectus.

34. *Our Company has not insured for specific risks associated with the business. Our inability to maintain adequate insurance cover in connection with our business may adversely affect our operations and profitability.*

Except for standard fire and special perils for furniture and electronics and burglary & house break, the Company has not insured for any other risks related to running the business. Such risks include the following but not limited to:

- Professional Liability/ Error and Omissions;
- General Liability;
- Workers' Compensation; and
- Commercial Property

Although our Company has not experienced any such risk affecting the business and company at large, we cannot assure you that, we will not experience any such event in the future. We cannot assure you that our Company will be able to mitigate the loss or protect the business or its employees in case of any unfortunate event. Our business can be affected due to unexpected events, which could cause us to suffer various damages and losses, ultimately affecting our business and results of operations.

35. *Our Promoters/Directors/Promoter Group have given personal guarantees and properties in relation to certain debt facilities provided to our Company by our lender. In event of default of the debt obligations, the personal guarantees may be invoked thereby adversely affecting our Promoter's ability to manage the affairs of our Company and our Company's profitability and consequently this may impact our business, prospects, financial condition and results of operations*

Some of the debt facilities provided to our Company by our lenders stipulate that the facility shall be secured by a personal guarantee and properties of our Promoters/ Directors/ Promoter Group. In event of default on the debt obligations, the personal guarantees and properties may be invoked thereby adversely affecting our Promoters/ Directors/ Promoter Group ability to manage the affairs of our Company and consequently this may impact our business, prospects, financial condition and results of operations.

Further, in an event our Promoters/ Directors/ Promoter Group withdraws or terminates his/their guarantee/s or security, the lender for such facilities may ask for alternate guarantee/s or securities or for repayment of amounts outstanding under such facilities or even terminate such facilities. We may not be successful in procuring guarantee/s or collateral securities satisfactory to the lender and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could adversely affect our financial condition. For more information, please see the section titled "Financial Information" beginning on page 162 of Draft Red Herring Prospectus.

36. *The unsecured loan availed by our Company from Directors and related party may be recalled at any given point of time*

Our Company has been availing unsecured loans from Directors and related party from time to time. The total outstanding payable to them as on March 31, 2023 amounts to ₹ 19.56 Lakh as per Restated Financials Statement. Although there are no terms and condition prescribed for repayment of unsecured loan from our Director and Promoter and related parties which can be recalled at any given point of time during ordinary course of business and thus may affect the business operations and financial performance of our Company. For further details regarding loans availed by our Company, please refer "Financial Information" on page 162 of this Draft Red Herring Prospectus.

37. *Our ability to pay dividends in the future may be affected by any material adverse effect on our future earnings, financial condition or cash flows.*

Our ability to pay dividends in future will depend on our earnings, financial condition and capital requirements. Our business is working capital intensive and we are required to obtain consents from certain of our lenders prior to the declaration of dividend as per the terms of the agreements executed with them. We may be unable to pay dividends in the near or medium term, and our future dividend policy will depend on our capital requirements and financing arrangements in respect of our operations, financial condition and results of operations. Our Company has not declared dividends in the past and there can be no assurance that our Company will declare dividends in the future. For further details, please refer to the chapter titled "Financial Indebtedness" and the chapter titled "Dividend Policy" on pages 211 and 161 respectively, of this Draft Red Herring Prospectus.

38. *The agreements executed by our Company with lenders for financial arrangements contain restrictive covenants for certain activities and if we are unable to get their approval, it might restrict our scope of activities and impede our growth plans*

We have entered into agreements for our borrowings with certain lenders. These borrowings include secured fund based and non-fund based facilities. These agreements include restrictive covenants which mandate certain restrictions in terms of our

business operations such as change in capital structure, formulation of any scheme of amalgamation or reconstruction, declaring dividends, further expansion of business, granting loans to directors, repaying loans, undertake guarantee obligations on behalf of any other borrower, which require our Company to obtain prior approval of the lenders for any of the above activities. We cannot assure you that our lenders will provide us with these approvals in the future. For details of these restrictive covenants, please refer to chapter titled — “Financial Indebtedness” on 211 of this Draft Red Herring Prospectus.

39. There are outstanding legal proceedings involving our Company, Promoters and Directors. Any adverse decision in such proceeding may have a material adverse effect on our business, results of operations and financial condition.

We are involved in certain legal proceedings which are pending at different levels of adjudication before various courts, tribunals, enquiry officers, and appellate authorities. We cannot provide assurance that these legal proceedings will be decided in our favour. Any adverse decisions in any of the proceedings may have a significant adverse effect on our business, results of operations, cash flows and financial condition. The contingent liability in respect of the tax litigation against the our Company have been disclosed in the section titled “Restated Financial Statements” – “Details of Contingent Liabilities & Commitments as Restated” on 162 of this Draft Red Herring Prospectus.

A summary of the pending civil and other proceedings involving our Company is provided below:

<i>Nature of Proceedings</i>	<i>Number of cases</i>	<i>Amount involved (₹. in lakhs)</i>
<i>Against the Company</i>		
<i>Direct Tax (Income Tax)</i>	<i>1</i>	<i>13.35</i>
<i>Indirect Tax</i>	<i>Nil</i>	<i>Nil</i>
<i>Filed by the Company</i>		
<i>Direct Tax (Income Tax)</i>	<i>Nil</i>	<i>Nil</i>
<i>Indirect Tax</i>	<i>Nil</i>	<i>Nil</i>
<i>Total</i>	<i>1</i>	<i>13.35</i>
<i>Against the Promoters and Directors</i>		
<i>Mr. Vishesh Handa</i>		
<i>Direct Tax (Income Tax)</i>	<i>1</i>	<i>19.79</i>
<i>Indirect Tax</i>	<i>Nil</i>	<i>Nil</i>
<i>Total</i>	<i>1</i>	<i>19.79</i>

40. We have issued equity shares (excluding Bonus issue) during the last 12 months at a price which may be below the Offer Price

We have issued certain Equity shares (excluding Bonus issue) in the last 12 months at a price which may be lower than the Offer Price. Details of such issuances are given in the table below:

Date of Allotment	Number of Equity Shares	Face Value (in ₹)	Offer Price (in ₹)	Name of Investor
June 5, 2023	22056	5*	1133.50*	Negen Tech Opportunities Angel Fund

*The face value of the Equity Shares of the Company was reduced from Rs. 10/- per share to Rs. 5/- per share vide Shareholders resolution dated July 06, 2023. Further, post the allotment of shares to the above investor, the Company has issued bonus shares in the ratio of thirty Equity Shares of Rs. 5/- each for every one Equity Share held. Accordingly, the effective issue price of Equity Shares allotted to Negen Tech Opportunities Angel Fund will be Rs. 36.56/-.

41. Our Company has a negative cash flow in its operating activities in previous three financial years details of which are given below.

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans, and make new investments without raising finance from external resources. Our Company had negative cash flows from our operating activities as per the Restated Financial Statements and the same are summarized as under:

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Net cash generated from / (used in) operating activities	-409.89	-143.31	-3.86
Net cash (used in) investing activities	-19.2	-6.20	-21.53
Net cash (used in) / generated from financing activities	561.89	19.18	163.64
Net increase/(decrease) in cash and cash equivalents	132.8	-130.34	138.25

For further details on our cash flows, see the section titled “*Management’s Discussion and Analysis of Financial Condition and Result of Operation*” on beginning on page 203 of this Draft Red Herring Prospectus. If we are not able to generate sufficient cash flows in future, it may adversely affect our business and financial operations.

42. *Information relating to our capacities and the historical capacity utilization of our facilities included in this Draft Red Herring Prospectus is based on various assumptions and estimates and capacity utilization may vary.*

Information relating to our capacities and the historical capacity utilization of our facilities included in this Draft Red Herring Prospectus is based on various assumptions and estimates of our management, including proposed operations, assumptions relating to availability and quality of supplies and assumptions relating to potential utilization levels and operational efficiencies. Actual utilization rates may differ significantly from the estimated capacities or historical estimated capacity utilization information of our facilities. Undue reliance should therefore not be placed on our capacity or historical estimated capacity utilization information for our existing facilities included in this Draft Red Herring Prospectus.

We cannot assure that we shall be able to utilize our facility to their full capacity or up to an optimum capacity, and non-utilization of the same may lead to loss of profits or can result in losses, and may adversely affect our business, results of operations and financial condition.

43. *The deployment of funds raised through this Issue shall not be subject to any Monitoring Agency*

Since, the Issue size is less than ₹10,000 Lakhs, there is no mandatory requirement of appointing an Independent Monitoring Agency for overseeing the deployment of utilization of funds raised through this Issue. The funds raised from this Issue, will be deployed as defined in the Objects. For further details, please refer to the section titled “*Objects of the Issue*” beginning on page 80 of this Draft Red Herring Prospectus. The fund requirement and deployment mentioned in the Objects of the Issue is based on internal management estimates and have not been appraised by any bank or financial institution. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financials. However, our Audit Committee will monitor the utilization of the proceeds of this Issue and prepare the statement for utilization of the proceeds of this Issue. Also, in accordance with Section 27 of the Companies Act, 2013, a company shall not vary the objects of the Issue without the Company being authorized to do so by our shareholders by way of special resolution and other compliances as applicable in this regard. Our Promoters and controlling shareholders shall provide exit opportunity to such shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by SEBI in this regard.

44. *We may need to seek additional financing in the future to support our growth strategies. Any failure to raise additional financing could have an adverse effect on our business, results of operations, financial condition and cash flows*

Our strategy to grow our business may require us to raise additional funds for our working capital or long-term business plans. While we have historically funded our capital expenditure primarily through internal accruals, bank credit facilities and cash flow from operations, we cannot assure you that we will have sufficient capital resources for our current operations or any future expansion plans that we may have. If our internally generated capital resources and available credit facilities are insufficient to finance our capital expenditure and growth plans, we may, in the future, have to seek additional financing from third parties, including banks, venture capital funds, joint-venture partners and other strategic investors. Our ability to arrange financing and the costs of capital of such financing are dependent on numerous factors, including general economic and capital market conditions, credit availability from banks, investor confidence, the continued success of our operations and other laws that are conducive to our raising capital in this manner. If we decide to meet our capital requirements through debt financing, we may be subject to certain restrictive covenants. Our financing agreements may contain terms and conditions that may restrict our ability to operate and manage our business, such as terms and conditions that require us to maintain certain pre-set debt service coverage ratios and leverage ratios and require us to use our assets, including our cash balances, as collateral for our indebtedness. If we are unable to obtain such financing in a timely manner, at a reasonable cost and on acceptable terms or at all, we may be forced to delay our expansion plans, downsize or abandon such plans, which may materially and adversely affect our business, financial condition and results of operations, as well as our future prospects.

45. *We have in past entered into related party transactions and we may continue to do so in the future.*

As of March 31, 2023 we have entered into related party transactions with our Promoters, individuals and entities forming a part of our promoter group and our Subsidiaries relating to our operations. In addition, we have in the past also entered into transactions with other related parties. Our Company has entered into related party transactions for the nine month period ended December 31, 2021 and the Fiscal ended March 31, 2021. For further details, please refer to the chapter titled “Financial Information – ‘Financial Information’ – Annexure VI - : Notes to the Related Financial Information” beginning on page 168. While we believe that all our related party transactions have been conducted on an arm’s length basis, we cannot assure you that we may not have achieved more favourable terms had such transactions been entered into with unrelated parties. There can be no assurance that such transactions, individually or taken together, will not have an adverse effect on our business, prospects, results of operations and financial condition, including because of potential conflicts of interest or otherwise. In addition, our business and growth prospects may decline if we cannot benefit from our relationships with them in the future. The related party transactions entered by the Company are in compliance with the applicable provisions of Companies Act, 2013.

46. *In addition to the existing indebtedness our Company, may incur further indebtedness during the course of business.*

As on March 31, 2023 the total fund based indebtedness of our Company is ₹ 743.70 Lakhs. In addition to the indebtedness for the existing operations, our Company may incur further indebtedness during the course of the business. We cannot assure you that our Company will be able to obtain further loans at favourable terms. Increased borrowings, if any, may adversely affect our debt-equity ratio and our ability to borrow at competitive rates. In addition, we cannot assure you that the budgeting of our working capital requirements for a particular year will be accurate. There may be situations where we may under-budget our working capital requirements, which may lead to delays in arranging additional working capital requirements, loss of reputation, levy of liquidated damages and can cause an adverse effect on our cash flows.

We have not defaulted in our loans. However, any failure to service the indebtedness of our Company or otherwise perform our obligations under our financing agreements entered with our lenders or which may be entered into by our Company, could trigger cross default provisions, penalties, acceleration of repayment of amounts due under such facilities which may cause an adverse effect on our business, financial condition and results of operations. For details of our indebtedness, please refer to the section titled — “*Financial Indebtedness*” on page 211 of this Draft Red Herring Prospectus.

47. *Increases in operational costs could adversely affect our results of operations.*

Factors such as inflation, increased employee benefit costs (by regulation or otherwise), increased rental costs, and increased energy costs may increase our operating costs. Further, to maintain our operational costs and margins, it is imperative to optimize the expansion of business operations and product portfolio. Many of the factors may also affect our vendors and channel partners, which are beyond their control. Although, there have been no such instances in the past, any future increase in the operational costs may cause such third parties to pass costs on to us and our end users by increasing prices, which would likely an adverse effect on our business, financial condition and results of operations.

48. *Our future fund requirements, in the form of further issue of capital or securities and/or loans taken by us, may be prejudicial to the interest of the Shareholders depending upon the terms on which they are eventually raised.*

We may require additional capital from time to time depending on our business needs. Any further issue of Equity Shares or convertible securities would dilute the shareholding of the existing Shareholders and such issuance may be done on terms and conditions, which may not be favorable to the then existing Shareholders. If such funds are raised in the form of loans or debt or preference shares, then it may substantially increase our fixed interest/dividend burden and decrease our cash flows, thus adversely affecting our business, results of operations and financial condition.

49. *Our Company does not have any listed peer companies for comparison of performance and therefore, investors must rely on their own examinations of accounting ratios of our Company for the purposes of investment in this Issue.*

Business models of some of the listed companies which undertake certain business, which may be considered similar to our business are not comparable to our business model based on the nature and extent of activities in diverse sectors undertaken by listed companies. Therefore, there are no listed companies that may be considered as the peer group of our Company. Therefore, investors must rely on their own examination of accounting ratios of our Company for the purposes of investment in this Issue.

SECTION VII: PARTICULARS OF THE ISSUE

The existing section titled “*Objects of the Issue*” appearing on page from 80 to 89 of the Draft Red Herring Prospectus is substituted with the revised “*Objects of the Issue*” section as given below:

OBJECTS OF THE ISSUE

The offer comprises of Fresh issue by our Company (Fresh Issue).

PROCEEDS OF FRESH ISSUE

The following table sets forth the details of the Net Proceeds:

		(₹ in Lakh)
Particulars	Amount*	
Gross Proceeds of the Fresh issue	[●]	
Less: offer related expenses in relation to the Fresh issue	[●]	
Net Proceeds	[●]	

*To be updated in the Prospectus prior to filing with RoC.

UTILIZATION OF NET PROCEEDS

The following table sets forth the details of the proposed utilisation of the Net Proceeds:

					(₹ in Lakh)
Sr. No.	Particulars	Estimated Amount*	% of Gross Proceed	% of Net Proceed	
1	Expansion of refurbishment facility and purchase of plant, machinery and equipment	100.00	[●]	[●]	
2	Investment in technology development	200.00	[●]	[●]	
3	Branding & Marketing	200.00	[●]	[●]	
4	Funding Working Capital requirement	1,545.44	[●]	[●]	
5	Repayment of Bank facilities	730.00	[●]	[●]	
6	General Corporate purposes #	[●]	[●]	[●]	
	TOTAL (Net Proceeds)	[●]	[●]	[●]	

#The amount utilized for general corporate purpose shall not exceed 25% of the gross proceeds of the Fresh issue.

*To be updated in the Prospectus prior to filing with RoC.

In addition to the aforementioned objects, our Company expects to receive the benefits of listing of the Equity Shares on the NSE Emerge, the SME Platform of National Stock Exchange of India, including among things, the enhancement of our Company’s brand name and creation of a public market in India for our Equity shares.

The main objects and objects incidental and ancillary to the main objects clause of our Memorandum of Association enable our Company to: (i) undertake the existing business activities; and (ii) undertake the activities proposed to be funded from the Net Proceeds. Further, we confirm that the activities which we have been carrying out till date are in accordance with the objects clause of our Memorandum of Association.

PROPOSED SCHEDULE OF IMPLEMENTATION AND DEPLOYMENT OF NET PROCEEDS

We propose to deploy the Net Proceeds towards the Objects in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below:

Objects	Amount to be funded from Net Proceeds*	Estimated deployment of the Net Proceeds	
		FY – 2024	FY – 2025
Expansion of refurbishment facility and purchase of plant, machinery and equipment	100.00	100.00	--
Investment in technology development	200.00	100.00	100.00
Branding & Marketing	200.00	100.00	100.00

Funding Working Capital requirement	1,545.44	1,545.44	--
Repayment of Bank facilities	730.00	730.00	--
General Corporate purposes #	[●]	[●]	--
TOTAL	[●]	[●]	[●]

#The amount utilized for general corporate purpose does not exceed 25% of the gross proceeds of the Offer.

*To be updated in the Prospectus prior to filing with RoC.

The fund requirements, the proposed deployment of funds and the intended use of the Net Proceeds as set-out above are based on our current business plans, management estimates of future growth projections, vendor quotations, current circumstances of our business and prevailing market conditions, which are subject to change. The fund requirements and proposed deployment of funds described herein have not been appraised by any bank or financial institution or any other independent agency. For details on risks involved, see “Risk Factors – Our funding requirements and proposed deployment of the Net Proceeds have not been appraised by a bank or a financial institution and if there are any delays or cost overruns, we may have to incur additional cost to fund the objects of the Offer because of which our business, financial condition and results of operations may be adversely affected.” on page 28.

We may have to revise our funding requirements and deployment from time to time on account of various factors, such as, financial and market conditions, competition, business and strategy, negotiation with lenders and our vendors, interest/exchange rate fluctuations and other external factors, which may not be within the control of our management. This may entail rescheduling or revising the proposed utilisation of the Net Proceeds and changing the allocation of funds from its planned allocation including the expenditure for a particular purpose at the discretion of our management, subject to compliance with applicable law. For details on risks involved, see “Risk Factors.

We propose to deploy the entire Net Proceeds towards the Objects over financial year 2024 and 2025. However, if the Net Proceeds are not completely utilised for the objects stated above by the end of the above-mentioned period, such amounts will be utilised (in part or full) in subsequent periods, as determined by us, in accordance with applicable law.

Subject to applicable laws, in the event of any increase in the actual utilisation of funds earmarked for the purposes set forth above, such additional funds for a particular activity will be met by way of means available to us, including from internal accruals and/or debt arrangements from existing and future lenders.

Means of Finance

We intend to completely finance the Objects from the Net Proceeds. Accordingly, we confirm that we are in compliance with the requirements prescribed under Paragraph 9(C)(1) of Part A of Schedule VIII and Regulation 7(1)(e) of the SEBI ICDR Regulations and there is no requirement for us to make firm arrangements of finance through verifiable means towards 75% of the stated means of finance, excluding the amount to be raised through the Fresh Issue, and existing internal accruals. In case of shortfall in the Net Proceeds or any increase in the actual utilisation of funds earmarked for the Objects, our Company may explore a range of options including utilising our internal accruals and/ or availing further borrowings. Further, if the actual utilisation towards any of the objects is lower than the proposed deployment, such balance will be used for funding other objects as mentioned above or towards general corporate purposes to the extent that the total amount to be utilised towards general corporate purposes will not exceed 25% of the Gross Proceeds from the Fresh Issue in accordance with the SEBI ICDR Regulations.

DETAILS OF THE OBJECTS OF THE OFFER

EXPANSION OF REFURBISHMENT FACILITY AND PURCHASE OF PLANT, MACHINERY AND EQUIPMENT

Our company is engaged in the business of restoring used or pre-owned computers to a functional and marketable condition, extending their lifespan and reducing electronic waste. To utilize the business opportunities and to cater to the increase in demand for IT refurbished products, we’re setting up a new facility at SY Nos. 38/1B, 39/1, 39/2, and 39/3, Arekere Village, Begur Hobli, Bangalore South Taluk, Bangalore-560076, Karnataka, India. The said facility is spread over 28,750 Sq. Ft and is being leased out for a period of 5 years.

The facility is being renovated to meet requirements for the refurbishing process. Capital expenditure is being incurred on following items (a) Facility renovation of 28,750 Sq Ft. + 4000 Sq Ft. Mezzanine encompassing custom flooring, roofing, fire equipment, networking, security and automation features (b) Electrical requirements including transformer, invertors and other backup mechanisms (c) 600+ sitting capacity including specially designed ESD compliant workbenches and associated equipment and tools for each department. (d) Special purpose clean room, paint booth, bonding/debonding and other specialized facilities which are mandatory to support our processes.

We intend to utilize up to ₹100.00 Lakh from the Net Proceeds of the Fresh issue towards the above initiative. The difference between the project cost and the amount to be funded from net proceeds is being managed from internal accruals and bank funding.

Sr. No.	Item	Quotation from	Quotation date	Validity date	Total Project Cost (₹ in Lakh)	Amount to be funded from Net Proceeds (₹ in Lakh)
1	Civil works includes metal structure, roofing, brick walls, flooring and tiles, ceiling works, washrooms, wall and partition works, electrical works	Shradha Enterprises Private Limited	July 10, 2023	January 09, 2024	249.30	100.00
2	Electrical works	Sri Mahadeshwar a Electricals	July 28, 2023	January 24, 2024	16.65	
3	Plant, machinery and equipment	Shradha Enterprises Private Limited	July 10, 2023	January 09, 2024	112.33	
4	Furniture and fixtures	Shradha Enterprises Private Limited	July 10, 2023	January 09, 2024	53.69	
5	Site Landscaping	Shradha Enterprises Private Limited	July 10, 2023	January 09, 2024	41.87	
6	Installation of clean room facility and related equipment	M/s Universal Clean Room Technologies	June 08, 2023	December 07, 2023	25.90	
TOTAL					499.74	100.00

The quotations in relation to the above-mentioned object are valid as on the date of this Draft Red Herring Prospectus. The quotations mentioned above do not include cost of freight, insurance, transportation and /or any other applicable government taxes as these can be determined only at the time of placing of orders. Such additional costs shall be funded from the Net Proceeds proposed to be utilised towards the financing of the above object or through contingencies, if required.

Our Company shall have the flexibility to deploy the equipment's and material at additional manufacturing facility, according to the business requirements, which are dynamic, which may evolve with the passage of time and based on the estimates of our management.

Our Promoters, Directors, Key Management Personnel or Group Entities have no interest in the proposed procurements, as stated above.

In the event that there is a shortfall of funds required for purchase of equipments and funding of other related costs for our new facility, such shortfall shall be met out of the amounts allocated for general corporate purposes and/or through internal accruals or borrowings from financial institutions, subject to compliance with applicable laws and approvals as may be required.

INVESTMENT IN TECHNOLOGY DEVELOPMENT

In order to stay ahead of competition and to build a deeper MOAT for the business, we will need to constantly invest in technology and develop tools and applications that will enhance our business operations and improve our process efficiency.

We plan to invest in building our technology platform specifically focussed on website enhancement to improve customer experience, ERP implementation, and proprietary cross platform application development to streamline purchase, operation and customer experience. A brief summary on the various technology development initiatives is given below:

- (a) **ERP:** Given bespoke requirement of refurbishing industry, we are further upgrading our ERP application to drive efficiency and process improvements. The development will help us to streamline operation decision making, better inventory management, automated internal process alignments. It will be further deeply integrated with our physical

manufacturing process using industry 4.0 best practices, helping in automating our workflows. An integrated view across various departments including but not limited to HR, Sales, Purchase, Operations, Customer Support, finance is a mandatory requirement for us to build scalable process.

- (b) **Customer Facing Application Development:** Being a direct to customer company, we utilize and will be investing in further improving our multi channel customer experience and customer reach out. We will be investing in integration with our sales channel partners, our own web and mobile assets and better customer support and warranty experience for our customers.
- (c) **Corporate and Supplier Platform integration:** Our business thrives on end-to-end reverse logistics management, from purchase of old IT assets from corporate, retail and re-cyclers to providing refurbished product to end use customer. Our Purchase side platform helps provide complete transparency, faster processing and seamlessness reverse logistics management for our supply partners and is very strategic for our growth.

We have hired M/s Fresh Web based on quotation from them dated July 08, 2023 and the said quotation is valid and is valid for a period of 6 (six) months until January 07th, 2024. This will be an ongoing engagement and we intend to utilize up to ₹ 200.00 Lakh from the Net Proceeds of the Fresh issue towards the above initiative.

Sr. No	Item	Count	Cost (₹ in Lakhs) per month	Total Cost (₹ in Lakhs) for 2 years	Amount to be funded from Net Proceeds (₹ in Lakhs)
1	Human Resource cost			225.60	175.00
	Technical Architect Business Analyst	0.5	1.00		
	Business Analyst	1	1.50		
	Senior C++ Developer	1	1.00		
	Senior Developer (Flutter)	1	1.00		
	Senior ERPNext developer	1	1.00		
	Junior ERPNext Developer	2	1.50		
	Senior Testing Engineer (Manual / Automation)	1	1.00		
	Junior Testing Engineer	1	0.60		
	L1 support	2	0.80		
2	Server and hardware Cost			25.20	25.00
	APP server	2	0.18		
	Database Server	1	0.35		
	Load Balance	1	0.03		
	Data Transfer cost	1	0.09		
	Server maintenance cost	1	0.40		
	TOTAL			250.80	200.00

BRANDING & MARKETING

Our Company is a tech driven full stack D2C IT electronics brand providing quality bespoke refurbished electronics at significant discount as compared to new products. We have a significant impact on how our consumers perceive our brand. Branding and marketing help us to attract new customers, increase sales, and command a premium price for products and services. A strong brand can also help to build customer loyalty and create a sense of community around the brand.

To create recall value and build local credibility, we propose to invest in marketing initiatives such as online and offline marketing campaigns, events, conferences and other events as appropriate from time to time to drive leads for our business and enhance our business credibility. A brief on all such initiatives is given below

- Advertising on Marketplaces:** NewJaisa's presence on established online marketplaces allows the company to tap into a wide customer base actively seeking electronic products. Marketplaces offer a ready-made infrastructure for transactions and provide an opportunity to showcase positive customer reviews, boosting credibility.
- Website:** The company's website serves as a digital storefront and a hub of information. Investing in search engine optimization (SEO) and user experience optimization will improve the website's visibility on search engines and provide a seamless browsing experience. A well-designed website instills confidence in customers, as it reflects the company's commitment to quality and professionalism.
- Alliances:** Forming strategic alliances with complementary businesses can result in a win-win situation. Collaborating with tech service providers, software companies, or accessory manufacturers can create cross-promotional opportunities. Such alliances not only introduce NewJaisa to new customer segments but also offer added value to existing customers, strengthening brand loyalty.
- Targeted Engagement:** Different channels attract different customer demographics. By utilizing a mix of channels i.e. google, meta etc and influencer marketing tools, NewJaisa intends to tailor its messaging and offerings to suit each audience and drive product sales.

Modern marketing techniques allow for detailed tracking and measurement of campaign performance. This data driven approach ensures that marketing spends are directed toward strategies yielding the best return on investment. We intend to utilize up to ₹ 200.00 Lakh from the Net Proceeds of the Fresh issue towards the above initiative in Branding and Marketing as per the following details.

Sr. No	Item	Cost (₹ in Lakhs) per year	Estimated Cost (₹ in Lakhs) for 2 years
1	Brand Awareness		70.00
	Influencer marketing	7.50	
	Social media management	3.00	
	Search engine marketing	3.60	
	Public relations	9.00	
	Google / Meta Brand awareness campaigns	11.90	
	Total	35.00	
2	Performance marketing		130.00
	Google ad search campaigns	10.00	
	Google performance max campaigns	12.00	
	Google shopping campaigns	9.00	
	Meta shopping campaigns	12.00	
	Meta Ad campaigns	12.00	
	Programmatic campaigns	10.00	
	TOTAL	65.00	
	G. TOTAL	100.00	200.00

We have received a quotation from M/s ANS Commerce dated July 03, 2023 and the same is and is valid for a period of 6 (six) months until January 02, 2024.

FUNDING WORKING CAPITAL REQUIREMENTS

We fund the majority of our working capital requirements in the ordinary course of our business from our internal accruals, net worth and financing from various banks and financial institutions. Our Company's existing working capital requirement and funding on the basis of Restated Financial Statements for Fiscal 2021, Fiscal 2022 and Fiscal 2023 are as stated below:

Particulars	(₹ in Lakh)		
	March 31, 2023	March 31, 2022	March 31, 2021
	Restated	Restated	Restated
Current Assets			

Inventories	1282.75	346.48	70.09
Short Term Loans & Advances	161.81	23.10	22.60
Trade Receivables	572.17	147.56	80.52
Cash and Cash Equivalents	140.71	7.91	138.25
Other Current Assets	0.00	0.00	0.00
Total (I)	2157.44	525.05	311.46
Current Liabilities			
Short Term Borrowings	743.70	181.82	162.64
Trade Payables	321.72	-	17.55
Other Current Liabilities	119.38	108.21	65.62
Short Term Provisions	88.68	11.51	17.02
Total (II)	1273.48	301.54	262.83
Net Working Capital (I) – (II)	883.96	223.51	48.63
Fund Pattern			
I. Borrowings for meeting working capital requirements			
- Short term borrowings	743.70	181.82	48.63
- Long term borrowings	Nil	Nil	Nil
II. Networth / Internal Accruals	140.26	41.69	Nil

Note: Pursuant to the certificate dated 30th August, 2023, issued by Abhilashi & Co., Chartered Accountants.

Basis of estimation of working capital requirement

On the basis of our existing working capital requirements and the projected working capital requirements, our Board pursuant to its resolution dated July 17, 2023 has approved the business plan for the Fiscal 2024 and Fiscal 2025. The estimated and projected working capital requirements for Fiscal 2024 is stated below:

Particulars	Fiscal 2024
	Estimated
Current Assets	
Inventories	3304.76
Short Term Loans & Advances	275.60
Trade Receivables	1531.11
Cash and Cash Equivalents	297.45
Other Current Assets	60.00
Total (I)	5,468.92
Current Liabilities	
Short Term Borrowings	100.32
Trade Payables	-
Other Current Liabilities	413.40
Short Term Provisions	137.80
Total (II)	651.52
Net Working Capital (I) – (II)	4,817.44
Fund Pattern	
I. Net worth / Internal Accruals / Bank Borrowing	3,271.96
II. Issue Proceeds	1545.44

Note: Pursuant to the certificate dated 30th August, 2023, issued by Abhilashi & Co., Chartered Accountants.

Key assumptions for working capital projections made by Our Company:

The table below sets forth the details of holding levels (in days) for Fiscal 2021, Fiscal 2022, Fiscal 2023 as well as projections for Fiscal 2024:

Particulars	(in days)			
	March 31, 2021	March 31, 2022	March 31, 2023	Fiscal 2024
Inventories	20	40	118	85
Short Term Loans & Advances	9	3	13	5
Trade Receivables	15	15	30	19
Cash and Cash Equivalents	53	1	12	5
Other Current Assets	0	0	0	1
Short Term Borrowings	62	24	61	2
Trade Payables	5	0	23	6
Other Current Liabilities	28	16	12	9
Short Term Provisions	7	2	9	3

1. Inventories days - Average Inventory for the period / Cost of Goods Sold for the period X365
2. Short Term Loans & Advances - Closing Short Term Loans & Advances for the period / Revenue from Operations for the period X 365
3. Trade Receivables - Average Trade Receivable for the period / Revenue from Operations for the period X 365
4. Cash and Cash Equivalents - Closing Cash and Cash Equivalent for the period / Revenue from Operations for the period X 365
5. Other Current Assets - Closing Other Current Assets for the period / Revenue from Operations for the period X365
6. Short Term Borrowings - Closing Short term Borrowing for the period Revenue from Operations for the period X365
7. Trade Payables - Average Trade Payables for the period / Purchases of traded goods for the period X 365
8. Other Current Liabilities - Closing Other Current Liabilities for the period / Total Expenses for the period X 365
9. Short Term Provisions - Closing Short Term Provisions for the period / Total Expenses for the period X 365

Note: Pursuant to the certificate dated 30th August, 2023, issued by Abhilashi & Co., Chartered Accountants.

Justification for “Holding Period” levels

The justifications for the holding levels mentioned in the table above are provided below:

Particulars	Assumption and Justifications
Inventory	The Company inventory holding period for financial year 2024 has projected 85 days as compared to 118 days and 40 days in financial year 2023 and 2022 respectively. Due to inherent nature of the business, the Company is required to maintain high level of inventory throughout the year. During financial year 2023, the Company had 118 days of inventory primarily driven by the excess supply of used IT equipment and the need for the company to capture inventory to support business growth. Going forward the company intends to monitor its inventory requirements closely and expects the holding period to normalise at 85 days.
Trade Receivables	The Company trade receivable days for the financial year 2024 has been projected 19 days in 2024 as compared to 30 days and 15 days in financial year 2023 and 2022 respectively. The increase in Trade receivables is primarily on account of the increase in corporate sales for financial year 2023. At this stage the company has made significant progress on its operating model and is now able to negotiate better terms with its customers, Accordingly, so while the company intends to expand the pool of corporate sales in the current financial year as well, we expect to negotiate better terms on such sales and therefore we project trade receivables to normalise at 19 days based on the projected business activity.
Short Term Loans and Advances	Short-Term Loans and Advances majorly consists Advance to suppliers and balance with government authorities. Short-Term Loans and Advances have been maintained in line with the projected 5 days for the Financial Years 2024 as compared to 13 and 3 days in financial year 2022 and 2023 respectively.
Other Current Assets	There are no “Other Current Assets” during financial year 2022 and 2023. In Financial Year 2024, the Company has taken one more office on rent this amount represents the rental deposit for the same.

Trade Payable	Historically the Company has received credit from its suppliers however the same resulted in high cost of purchased goods. During Financial Year 2023, the trade payables stood at 321.72 lakhs however the Company aims to reduce the same to 6 with its Minimum Creditor policy which will help them sourcing used IT inventory on better pricing terms
Other Current Liabilities	Other Current Liabilities mainly consists statutory dues, expenses payable to employees and related parties and other expenses for payables. The Company is expecting the same to be 9 days for Financial Year 2024 as compared to 12 and 16 days during financial year 2022 and 2023 respectively to manage the working capital cycle with more efficiency.
Short Term Provisions	Short Term Provisions mainly consists of provision for tax and provision for warranty. The Company is expecting the same to be 3 days for financial year 2024 as compared to 9 days and 2 days for Financial Year 2023 and 2022 respectively.

Our Company proposes to utilize upto ₹ 1,545.44 Lakh of the Net Proceeds in Fiscal 2024 towards our working capital requirements. The balance portion of our working capital requirement for the Fiscal 2024 will be arranged from internal accruals/net worth/ borrowings.

BANK FACILITIES

Company started its operation in June 2020, when the first wave of COVID-19 was on peak. The initial phase of operations was an exceptional one, when the survival of any industry was in doubt. Whereas 2021-2022 was totally different except for the Q1 where company have been able to scale its operation by setting up its plant and hiring more resources.

Our Company has entered into various financing arrangements, including borrowings in the form of long-term loans and cash credit facilities. As at July 30, 2023, our total secured borrowings amounted to ₹ 709 Lakh. For further details, see “Financial Indebtedness” on page 211. Our Company proposes to utilize an aggregate amount of ₹730.00 Lakh from the Net Proceeds towards repayment and / or prepayment, in part or in full, of certain outstanding loans of our Company. Payment of interest, prepayment penalty or premium, if any, and other related costs may be made by us out of the Net Proceeds. The repayment / prepayment of certain loans by utilizing the Net Proceeds will help reduce our outstanding indebtedness. Further, we believe that it will reduce our debt-servicing costs and improve our debt equity ratio and enable utilization of internal accruals for further investment in our business growth and expansion.

Given the nature of the borrowings and the terms of repayment or pre-payment, the aggregate outstanding amounts under the borrowings may vary from time to time and our Company may, in accordance with the relevant repayment schedule, refinance or avail additional borrowings from the bank. Further, the amounts outstanding under the borrowings as well as the sanctioned limits are dependent on several factors and may vary with the business cycle of our Company with multiple intermediate repayments and enhancement of sanctioned limits.

The selection of borrowings proposed to be prepaid or repaid amongst our borrowing arrangements availed shall be based on various factors, including (i) cost of the borrowing, including applicable interest rates; (ii) any conditions attached to the borrowings restricting our ability to prepay/ repay the borrowings and time taken to fulfil, or obtain waivers/ consents for fulfilment of such conditions; (iii) terms and conditions of such consents and waivers; (iv) provisions of any laws, rules and regulations governing such borrowings; and (v) other commercial considerations including, among others, the amount of the loan outstanding and the remaining tenor of the loan. The pre-payment or scheduled repayment will help reduce our outstanding indebtedness and finance cost, assist us in maintaining a favourable debt-equity ratio and enable utilisation of our internal accruals for further investment in business growth and expansion. In addition, it will also enable us to raise further resources in the future to fund potential business development opportunities and plans to grow and expand our business in the future. The following table provides details of certain borrowings availed by our Company as on July 30, 2023, which our Company proposes to prepay or repay, fully or partially, from the Net Proceeds:

Name of the lender** *	Date of sanction letter/ facility agreement	Nature of borrowing	Sanctioned amount (in ₹ Lakh)	Outstanding amount as at July 30, 2023 (in ₹ Lakh)	Repayment date / schedule	Interest rate (p.a.) as at JULY 30, 2023 (%)	Purpose of raising the loan	Pre-payment penalty, if any
IDFC First Bank Limited	March 18, 2023	Working Capital	850	484	Revolving	9.20	Working capital	NIL
IDFC First	March 18, 2023	Term Loan	150	60	48 Months	9.20	Towards capital	Nil

Bank Limited							expenditure of new plant	
Capsave Finance Services Private Limited	March 8, 2023	Dropline Working Capital Demand Loan	125	93.75	360 Days	14.75	Working Capital	Nil

*** Additionally, our Company may avail additional loan facilities or draw down existing facilities from time to time to meet our business requirements. Accordingly, our Company may utilise the Net Proceeds for repayment/ prepayment of any such refinanced facilities (including any prepayment fees or penalties thereon), any additional facilities obtained by our Company or working capital facilities outstanding at the time of utilisation of Net Proceeds.

Note: In accordance with Clause 9(A)(2)(b) of Part A of Schedule VI of the SEBI ICDR Regulations which requires a certificate from the statutory auditor certifying the utilization of loan for the purpose availed, the Company has obtained the requisite certificate dated July 31, 2023 from our Statutory Auditors, Abhilashi & Co, Chartered Accountants.

For further details in relation to the terms and conditions under the aforesaid loan agreements as well as restrictive covenants in relation thereto, see “Financial Indebtedness” on page 211.

GENERAL CORPORATE EXPENSES

We propose to deploy the balance Net Proceeds aggregating to ₹ [●]. lakhs towards general corporate purposes, subject to such utilisation not exceeding 25% of the Gross Proceeds from the Fresh Issue, in compliance with the SEBI ICDR Regulations. The general corporate purposes for which we propose to utilise the Net Proceeds include meeting day to day expenses include short-term working capital requirements, meeting any expense of the Company, including salaries and wages, administration, insurance, repairs and maintenance, payment of taxes and duties, meeting expenses incurred in the ordinary course of business and towards any exigencies, and any other purpose, as considered expedient and as approved periodically by our Board or a duly constituted committee thereof, subject to compliance with applicable law, including the necessary provisions of the Companies Act.

The quantum of utilisation of funds towards each of the above purposes will be determined by our Board, based on the amount available under this head and our business requirements, from time to time. Our management, in accordance with the policies of our Board, shall have flexibility in utilising surplus amounts, if any

Details of funds deployed till date and sources of funds deployed

The funds deployed up to July 31, 2023 pursuant to the object of this Issue as certified by the Auditors of our Company, viz. M/s Abhilashi & Co, Chartered Accountants pursuant to their certificate dated July 31, 2023 is given below:

Deployment of Funds	Amount (₹ in Lakh)
Issue related expenses	10.00
TOTAL	10.00

Sources of Funds	Amount (₹ in Lakh)
Internal accruals	10.00
Bank finance	[●]
TOTAL	[●]

ESTIMATED OFFER RELATED EXPENSES

The total expenses for this Offer are estimated not to exceed ₹ [●] Lakh which is [●]% of Issue Size. The details of Offer expenses are tabulated below:

Particulars	Amount	% of Total Offer Expenses	(₹ in Lakh)
			% of Total Issue size
Book Running Lead Manager fees	[●]	[●]	[●]

Underwriting & Selling commissions fees	[●]	[●]	[●]
Brokerage, selling commission and other uploading fees	[●]	[●]	[●]
Fees payable to Registrar to the Offer	[●]	[●]	[●]
Fees to the legal advisor, audit / chartered accountant fees	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Fees payable to regulators including stock exchanges	[●]	[●]	[●]
Printing and distribution expenses	[●]	[●]	[●]
Others, if any (market making, depositories, marketing fees, secretarial, etc.)	[●]	[●]	[●]
TOTAL EXPENSES	[●]	[●]	[●]

ASBA Bankers: The SCSBs will be entitled to selling commission of [●] % (plus GST) of the amount allotted (product of the no. of equity shares allotted and the issue price) for the forms directly procured by them and uploaded on the electronic system of the stock exchange by them on the portion of Retail Individual investor and non-Institutional investor. No other fees/commission shall be payable on the application forms directly procured by them.

The SCSBs would be entitled to processing fees of [●] % (plus GST) of the amount allotted (product of the no. of equity shares allotted and the issue price), for processing the application forms procured by other intermediaries and submitted to SCSBs for processing.

SYNDICATE ASBA: Other intermediaries (syndicate/sub-syndicate/registered broker/CRTAs/CDPs or for using 3-in-1 type account i.e. linked online trading, demat and bank account provided by some of the registered brokers) will be entitled to selling commission of ₹10/- (plus GST) per valid application form for the forms directly procured by them and submitted to SCSBs for processing by them on the portion of Retail Individual investor and Non-Institutional investor.

Issuer banks for UPI Mechanism as registered with SEBI would be entitled to a processing fee of ₹10/- (plus GST) per valid application form made by the Retail Individual investors using the UPI mechanism for processing. The Sponsor Bank shall be responsible for making payments to the third parties such as remitter bank, NPCI and such other parties as required in connection with the performance of its duties under the SEBI circulars and other applicable laws.

The terminal from which the application has been uploaded will be taken into account in order to determine the total processing fees payable to the relevant registered broker and other intermediaries.

Any expenses incurred towards IPO related expenses will be reimbursed/ recouped out of the gross proceeds of the Issue.

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

Further, in terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLM, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

INTERIM USE OF NET PROCEEDS

Pending utilisation of the Net Proceeds for the purposes described above, our Company will temporarily invest the Net Proceeds in deposits in one or more scheduled commercial banks included in the Second Schedule of Reserve Bank of India Act, 1934, as may be approved by our Board or a duly constituted committee thereof.

In accordance with Section 27 of the Companies Act, 2013, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets

BRIDGE FINANCING FACILITIES

We have not raised any bridge loans from any bank or financial institution as on the date of Draft Red Herring Prospectus, which are proposed to be repaid from the Net Proceeds.

MONITORING OF UTILISATION OF FUNDS

Proposed size of the Offer is less than ₹10,000.00 Lakh in terms of Regulation 262 of the SEBI ICDR Regulations, appointment of a monitoring agency for the purposes of this Offer is not mandatory and hence no Monitoring Agency is being appointed for this Issue.

Pursuant to Regulation 32 of the SEBI Listing Regulations, our Company shall on a half yearly basis disclose to the Audit Committee the uses and application of the Net Proceeds. Until such time as any part of the Net Proceeds remains unutilized, our Company will disclose the utilization of the Net Proceeds under separate heads in our Company's balance sheet(s) clearly specifying the amount of and purpose for which Net Proceeds have been utilized so far, and details of amounts out of the Net Proceeds that have not been utilized so far, also indicating interim investments, if any, of such unutilized Net Proceeds. In the event that our Company is unable to utilize the entire amount that we have currently estimated for use out of the Net Proceeds in a Fiscal Year, we will utilize such unutilized amount in the next financial year. Further, in accordance with Regulation 32(1)(a) of the SEBI Listing Regulations our Company shall furnish to the Stock Exchanges on a half yearly basis, a statement indicating material deviations, if any, in the utilization of the Net Proceeds for the objects stated in this Draft Red Herring Prospectus.

VARIATIONS IN OBJECTS

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013, our Company shall not vary the objects of the Initial Public Offer without being authorized to do so by the Shareholders by way of a special resolution through a postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution ("Postal Ballot Notice") shall specify the prescribed details as required under the Companies Act. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in Hindi, the vernacular language of the jurisdiction where our Registered Office is situated. In accordance with the Companies Act, 2013, our Promoters will be required to provide an exit opportunity to the Shareholders who do not agree to such proposal to vary the objects, subject to the provisions of the Companies Act, 2013 and in accordance with such terms and conditions, including in respect of pricing of the Equity Shares, in accordance with our Articles of Association, the Companies Act, 2013 and the SEBI ICDR Regulations.

OTHER CONFIRMATIONS

No part of the Net Proceeds will be paid by our Company as consideration to our Promoters, Promoter Group, our Directors, our Key Management Personnel or Group Company. Except in the normal course of business and in compliance with applicable law, there are no existing or anticipated transactions in relation to utilisation of Net Proceeds with our Promoters, Promoter Group, our Directors, our Key Management Personnel or Group Company. Further, pursuant to the Offer, the Net Proceeds received by our Company shall only be utilised for objects identified by our Company and for general corporate purposes and none of our Promoters, Promoter Group, Group Companies of our Company, as applicable, shall receive a part of or whole Net Proceeds directly or indirectly.

The section title “Our Business” appearing on page from 110 to 117 of the Draft Red Herring Prospectus is substituted with the revised “Our Business” section as given below:

OUR BUSINESS

This section should be read in conjunction with, and is qualified in its entirety by, the more detailed information about our Company and its financial statements, including the notes thereto, in the section titled “Risk Factors” and sections titled “Restated Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 28, 162 and 203 respectively, of this Draft Red Herring Prospectus.

Unless otherwise indicated, the Restated Financial Statements included herein is based on our Restated Financial Statements for the Financial Years ended on March 31, 2023, 2022 and 2021 included in this Draft Red Herring Prospectus. For further information, see “Restated Financial Statements” beginning on page 162 of this Draft Red Herring Prospectus.

OVERVIEW

Started in 2020, We are a Technology driven Direct to consumer refurbished IT electronics company providing quality refurbished electronics at significant discount as compared to new products. Our goal is to provide best-in-class, refurbished electronics at affordable prices.

Our business model encompasses end to end reverse supply chain for IT assets. It involves procuring used IT assets (laptops, desktops and peripherals), refurbishing them to as close to new computer condition, and selling them directly to end use customers – businesses or retail. Currently the Company is engaged into direct sales of IT Products i.e Laptops/ Chromebooks, Desktops/Chromeboxes/ Monitors and Accessories (Keyboard, Mouse, WiFi, Speakers) which is its key revenue model.

Our key goal is to reduce e-waste, by life extension of IT assets and to deliver High quality computing devices to end customer in as good as new condition, with warranty at affordable prices.

We currently are focused and operate in Indian market and cater to our Pan India customer base via ecommerce and our online platforms and caters its products across industries. The four key customer segments for us include students, home users, SME and working professionals.

Our business is helping us to reduce growing e-waste problem on one hand and, at same time, help serve large underserved Indian population that currently has low personal computing ownership, by delivering quality product at very affordable prices with service guarantee via our warranties.

We are solving complex problem of refurbishing multiple brand and models with indeterminant issues in various components by building technology driven preoperatory refurbishing processes and infrastructure. This is helping us to deliver output at scale and importantly, quality and restoration of product to as good as new condition.

Our Online first approach is helping us cater and scale to Pan India customer base without high distribution and inventory overheads. It helps us to also service customer faster and economically.

We have served customer at more than 19,298 pin codes in India, with our centralized team and plant in Bangalore.

Our Company is promoted by Mr. Vishesh Handa and Mr. R. Mukunda with operations & technical background.

OUR LOCATIONS

Registered Office	207/B2, 2nd Cross Road, J.C, Industrial Estate Bikasipura Main Road, Off Kanakpura Road, Near Delhi Public School Bangalore, 560078, Karnataka, India.
Facility	Land Survey No.38/1B, 39/1, 39/2 and 39/3 of Arekere Village, Begur Hobli, Bangalore South Taluk, Bangalore- 560 076.

Note: Currently, the Company does not have any branches. The additional place of business as mentioned in the GST Certificate are for logistics purposes and are generally situated within the premises of third party e-commerce players

OUR PRODUCTS

Our Company is currently engaged in the business of purchase, refurbishment and sale of following IT products:

Product	Brands
Laptops/ Chromebooks	Dell, HP, Lenovo, ASUS, Acer, MAC book
Desktops/ Chromeboxes/ Monitors	Dell, HP, Lenovo, ASUS, Acer
Accessories (Keyboard, Mouse, WiFi, Speakers)	Dell, HP, Lenovo, other brands

Price ranges for each products:

Product	Price Range (Average Price)
Laptops	Rs 13,999 to Rs 49,999 (Average: Rs 19,999)
Desktops	Rs 7,999 to Rs 18,999 (Average: Rs 12,999)
Monitors	Rs 1,999 to Rs 5,999 (Average: Rs 3,499)

State wise revenue split is as follows:

State	Percentage
Tamil Nadu	26%
Karnataka	19%
West Bengal	14%
Maharashtra	9%
Haryana	8%
Uttar Pradesh	4%
Telangana	4%
Kerala	2%
Andhra Pradesh	2%
Delhi	2%

OPERATIONAL DATA METRICES

Diwali Month Sales			
Description	Year 2020-2021	Year 2021-2022	Year 2022-2023
Units sold (Nos)	1499	3829	5644
YOY Growth %	-	155%	47.40%
Revenue (₹ in Lakh)	353.38	760.75	1,023.91
YOY Growth	-	115%	35%
Units Sold/ Processed (yoy- Financial Year)			
Description	Year 2020	Year 2021	Year 2022
Units Sold	8,928	24,959	42,043
YOY Growth %	-	180%	69%

Note: Since inception till July,2023, the Company has processed more than 50,000 unique orders

(₹ in Lakh)

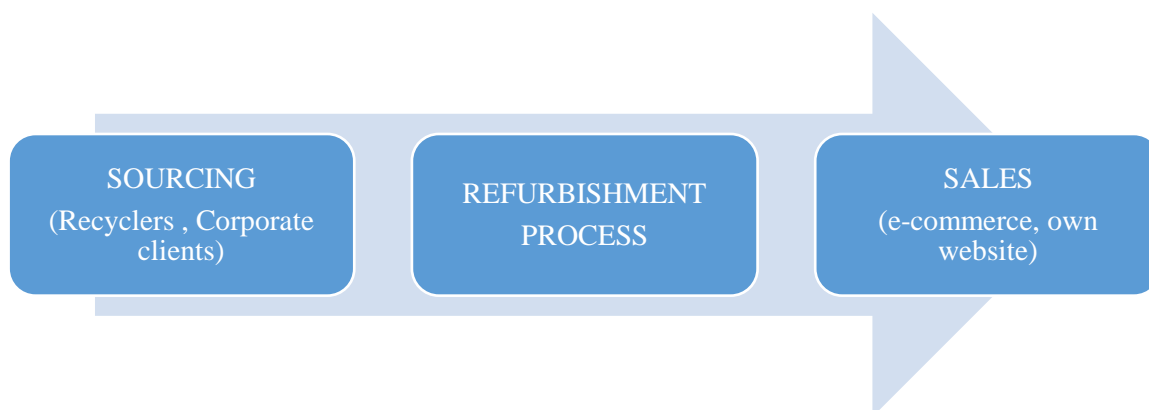
Online / Offline Sales (Financial Year)			
Description	2020-21	2021-22	2022-23
Online Sales	684.19	2,003.37	2833.41
Offline Sales	-	-	381.72
Corporate sales	276.48	788.53	1237.85
Total Sales	960.67	2,791.90	4,452.98

Note : The Company is into an online first company with Online sales contributing 90%+ of its sales. The current operations of the Company are in Indian market only.

(₹ in Lakh)

Product wise Sales (Financial Year)			
Product Description	2020-2021	2021-2022	2022-2023
Laptops/ Chromebooks	296.74	838.60	2,309.75
Desktops/ Chromeboxes/ Monitors	653.74	1,873.14	1,996.25
Accessories (Keyboard, Mouse, WiFi, Speakers)	10.19	80.16	146.98
Total	960.67	2791.90	4452.98

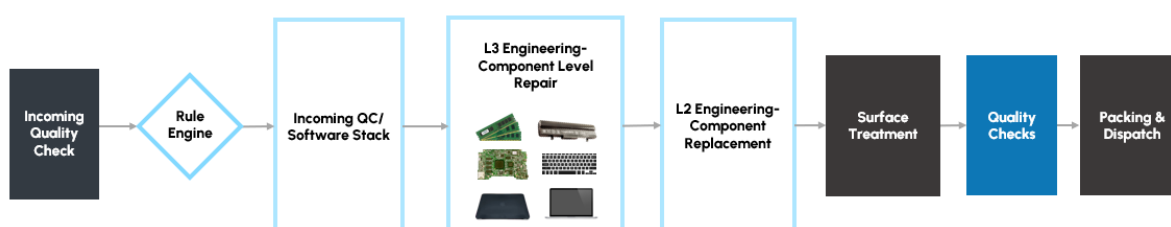
OUR BUSINESS MODEL



Our business model covers 3 stages:

Stage I - Sourcing of Inventory: We source our inventory of IT assets from Recyclers and also directly from Corporate clients. Most of the purchases are based on inspection of inventory to assess its condition basis which we provide competitive quotation to recyclers and corporate. Once the quotations are approved, the inventory is shipped to our refurbishment facility and payments obligations with supplier settled.

Stage II - Refurbishment of Inventory: Once the inventory is received in our facility, the inventory goes through a thorough refurbishment process (as detailed below) and is then made ready for sales to end users. Our refurbishment process is explained below.



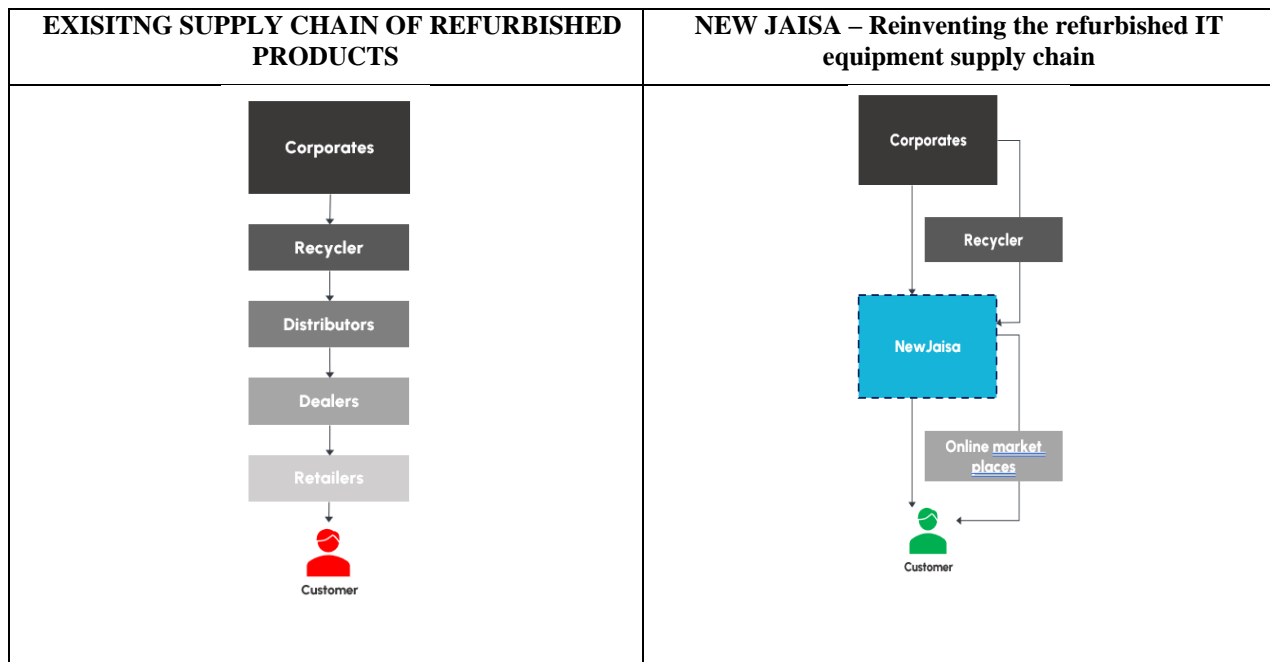
- ✓ **Incoming quality check** – refers to the QC of the inventory sourced from resellers and Corporate clients. We use proprietary software and QC SOPs to ensure an efficient execution of the QC process.
- ✓ **Rule engine:** proprietary system which optimizes decision making on part / parts to be repaired / replaced considering current inventory, availability, pricing etc.

- ✓ Incoming QC/ Software stack: here each component of IT inventory is given a unique serial number and assigned into either L3 or L2 workflow process.
- ✓ L3 Engineering: in this section, parts that can be repaired are handled and processed.
- ✓ L2 Engineering: in this section, parts that would need replacement are handled and processed.
- ✓ Surface treatment: Inhouse paint shop which processes the refurbished IT equipment to ensure a scratch less product. This process would include surface and aesthetic correction of the assets.
- ✓ Quality Check: This section handles the final QC of the product to identify any performance and quality issues. This would include update of the operating System and software update.
- ✓ Packaging and dispatch: in this section, the refurbished device is cleaned and packaged and is ready for shipment. Our Company uses 3rd party transportation providers for dispatch of products to customers.

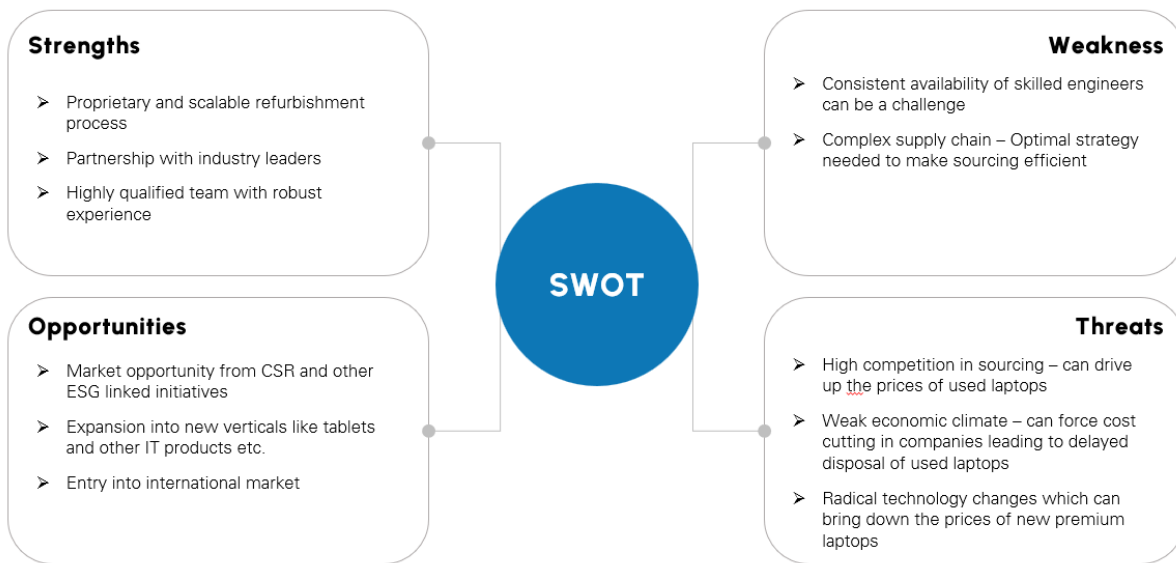
Stage III - Sales and marketing of Product: Being a customer focused company, the Company uses multiple marketing strategies including Online marketing, which plays a significant role in reaching the end customer, paid and organic marketing on various ecommerce platforms, paid and organic marketing via social media platforms Google and Facebook and our own website. We sell our products to end customers via online e-commerce channels, our own website as well as handling direct enquires from corporate clients and educational institutions.

OUR OPERATING MODEL

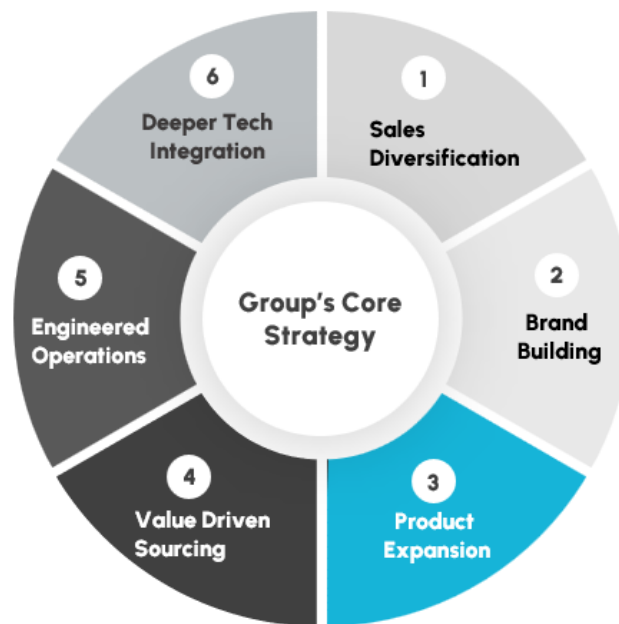
We have simplified the existing supply chain by eliminating distributors, dealers and retailers in the process. New Jaisa sources used IT equipment directly from corporate clients and recyclers, runs an exhaustive refurbishment process and distributes final refurbished product directly to consumers via online e-commerce channels, own website and direct enquires. This reduces the cost of procurement and the pricing of the final refurbished product.



SWOT ANALYSIS



OUR GROWTH STRATEGY



A detailed description of our growth strategy is as follows

SALES DIVERSIFICATION

- ✓ Build D2C offline channel to increase sales footprint
- ✓ Tapping into Colleges and schools and offering laptops and desktops under attractive schemes / payment terms
- ✓ Increasing sales to SME clients via rental model and Hardware as a Service (HaaS)
- ✓ Initiate sales via modern trade route – identify large format stores where New Jaisa products can be displayed
- ✓ Focus on increasing sales via own website to 30% of overall sales

- ✓ Expansion into International markets, build sales presence across Africa and South Asia - Position India as CoE for refurbishing

BRAND BUILDING

- ✓ Revamping of our current website with latest UI/ UX to increase customer experience and drive sales
- ✓ Set up a mobile experience center where customers can touch and feel our products
- ✓ Partnerships & tie-ups with Edtech platforms, SME associations to drive visibility within these customer segments.
- ✓ Investment in Brand promotion & PR initiatives which will include programs driven via influencer ecosystem and brand ambassador engagement

PRODUCT EXPANSION

Plans to leverage existing refurbishment platform to newer product categories aligned with our current expertise

VALUE DRIVEN SOURCING

Target to increase direct sourcing by Strategic partnerships with corporates and increasing our value proposition for our purchasing partners / resellers

ENGINEERED OPERATIONS

Our goal under this strategy is centered around the following

- ✓ achieve productivity improvements through technology development and process improvement
- ✓ Increase the proportion of repaired parts in overall refurbishment process as opposed to replacement of parts

DEEPER TECH INTEGRATION

- ✓ Build a Corporate liquidation marketplace: Automated platform for entire ecosystem offering features such as asset testing, price discovery, e-auction etc.
- ✓ Automated QC: Further automation development for our quality check process that can handle multi product, multi platform QC requirements and perform more exhaustive checks on the inventory.
- ✓ Industry 4.0 : Integrating IoT will help us to automate our refurbishing operations even further across all operation function including production planning, routing, material movement, sorting, binning creating a more robust assembly line operating process.
- ✓ Deeper ERP integration: Providing unified ERP solution spanning across supply chain from corporates till end customer life cycle management will help us to implement lean manufacturing capabilities.
- ✓ Analytics integration in decision making: Deeper embedded analytics across our supply chain would provide value to our corporate suppliers to realize better value for their assets, reduce operational waste and in targeting marketing to end customers

COLLABORATION

As on the date of this Draft Red Herring Prospectus, our Company has not entered into any collaboration agreements

PLANT AND MACHINERY

For details on Plant and Machinery our Company, please refer “Annexure XII - Details of Property, Plant & Equipment as Restated” under section titled “Restated Financial Statements” beginning on Page 162 of this Draft Red Herring Prospectus.

CAPACITY AND CAPACITY UTILIZATION

We currently have 273 (92 employees and 181 Interns) operating out of 28,750 Sq Ft delivering approximately 5,500 refurbished SKU on monthly basis.

COMPETITION

Our Industry comprises of both organized and unorganized players, therefore we face competition from both small players who belongs to unorganized sector and big players who have better resources availability.

HUMAN RESOURCE

We believe that our employees are key contributors to our business success. We focus on attracting and retaining the best possible talent. Our Company looks for specific skill-sets, interests and background that would be an asset for our business.

As at July 15, 2023, we have 273 (92 employees and 181 Interns). We seek to maintain a culture of innovation by empowering our employees at all levels of our organization. Our success depends upon our ability to attract, develop, motivate and retain highly-skilled and multi-dimensional team members. Our people management strategy is based on four key components: recruiting, training and development, compensation and retention.

Category	No. of Employees	No. of Interns
Accounts	3	2
Human Resource & Admin	2	6
Information Technology (IT)	3	1
Operations	79	171
Sales	3	1
Procurement	2	0
Total	92	181
Combined Total	273	

INSURANCE

We constantly evaluate the risks in an effort to be sufficiently covered for all known risks. We believe that the amount of insurance coverage presently maintained by us represents an appropriate level of coverage required to insure our business and operations and is in accordance with the industry standard in India. However, there can be no assurance that our insurance policies will be adequate to cover the losses that may be incurred as a result of such interruption. If we suffer a large uninsured loss or any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition and result of operations may be materially and adversely affected:

Sr. No.	Name of the Insurance company	Annual Premium (₹)	Property Cover	Amount Cover (₹)	Date of the Last Renewal	Next Renewal Date
1.	United Insurance Company Limited – Fire	1,14,431	Stock	10 Crore	November 30, 2022	November 29, 2023
2.	United Insurance Company Limited – Burglary	2,595	Stock	10 Crore	November 30, 2022	November 29, 2023


INFORMATION TECHNOLOGY

We are tech driven – full stack D2C brand providing quality bespoke refurbished IT electronics at significant discount (~40-70%) as compared to new products. We have developed an automated quality check app enabling traceability and trackability of operations. We have established deep ERP integration with sales and customer support channels. We regularly upgrade our systems to ensure efficiency and business continuity.

See also, “Risk Factors – Internal Risk Factors – Other risks – Failure or disruption of our Information Technology systems may adversely affect our business, financial condition, results of operations and prospects.” on page 28.

INTELLECTUAL PROPERTY RIGHTS:

We have registered the following Trademark with the Trademarks Registry, Government of India under the Trademarks Act, 1999. The details of the same are as follows:

Sr. No.	Trademark	Wordmark/ Label	Applicant	Trademark/ Application Number	Issuing Authority	Date of Application	Class of Trade mark	Status
1.		New Jaisa (Device)	Newjaisa Technologies Private Limited	5604346	Trade Marks Registry, Chennai	September 10, 2022	9	Objected*
2.	NEWJAISA	NEWJAISA (Wordmark)	Newjaisa Technologies Limited (Formerly Known as Newjaisa Technologies Private Limited)	6021092	Trade Marks Registry, Chennai	July 14, 2023	9	Formalities Check Pass

*The Company has submitted reply against objection, on July 06, 2023

FOREIGN PRESENCE

The Company does not have any foreign presence.

GUARANTEES AND WARRANTIES ON THE PRODUCTS:

Warranty of one year for purchases from our own channels (websites/offline). On market places determined by marketplace rules (e.g. Amazon provide 6 months warranty).

OUR PROPERTIES:

Details of our properties as follows:-

Owned Property

Sr. No.	Schedule of the property and area	Area	Date of Agreement	Seller
1	Nil	Nil	Nil	Nil

Leave and License Property

The following table sets for the properties taken on rent by us:

Sr. No.	Location of the property and area	Purpose	Document and Date	Licensor	Rent/ License Fee (in ₹) per month	License period	
						From	To
1.	207/B2, 2nd Cross Road, J.C, Industrial Estate	Registered Office	Supplementary Rental Agreement	Mr. Jai Singh Jain	Rs.70,000	July 01, 2023	August 31, 2023

	Bikasipura Main Road, Off Kanakpura Road, Near Delhi Public School Bangalore, 560078, Karnataka, India Area: 16000 Sq Ft		t dated September 07, 2022 alongwith Addendum to Rental Agreement- Extension of Lease Term dated June 30, 2023				
2.	Land Survey No.38/1B, 39/1, 39/2 and 39/3 of Arekere Village, Begur Hobli, Bangalore South Taluk, Bangalore-560 076 Area: 28,750 Sq Ft	Facility	Lease Deed dated March 31, 2023	1. Mr. Vishal Bansilal Asrani 2. Mrs. Sharmila S Parwani 3. Mrs. Sapna P Punjabi 4. Mrs. Sheetal B Asrani 5. M/s. VB Asrani Energy Ventures (PAN: AANFV6321J), Partnership firm represented by its partner Mr. Vishal Bansilal Asrani	Rs.5,50,000/- plus GST plus applicable taxes	March 31, 2023	March 31, 2028

OUR MANAGEMENT

The Section titled “***Our Management***” beginning on page 134 of the Draft Red Herring Prospectus has been updated with inclusion of experience of Mr. Ashish Nirmal, Chief Financial Officer and Mrs. Poonam Jain, Company Secretary and Compliance Officer as given below:

“Mr. Ashish Nirmal, Chief Financial Officer:

Mr. Ashish Nirmal aged 32 years is a Chief Financial Officer of our Company. He is a qualified Chartered Accountant from the ICAI and has been appointed as Chief Financial Officer in our Company w.e.f. June 06, 2023. He has work experience of 7 years in financial functions. Prior to joining the Company, he has associated with Great Lakes E- Learning Services Private Limited as Assistant Finance Manager, Classic Civil Engineers Private Limited as Senior Manager, Finance, and Gozing Technology Private Limited as Finance Head.

Mrs. Poonam Jain, Company Secretary and Compliance Officer

Mrs. Poonam Jain, aged 33 years is a Company Secretary and Compliance Officer of our Company. She holds a bachelor’s degree in commerce from University of Kota, Kota, a master’s degree in commerce from University of Kota, Kota. She is also an associate member of the Institute of Company Secretaries of India. She has work experience of 4 years in secretarial functions. Prior to joining the Company, she was associated with Rajesh Gupta and Co as Manager, M/s Saket Kalani and Associates, Chartered Accountant as Manager and Banthia S & Co, Chartered Accountant as Manager. She has been appointed as Company Secretary and Compliance Officer in our Company w.e.f. May 02, 2023.”

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

The Section titled “*Outstanding Litigations And Material Developments*” beginning on page 213 of the Draft Red Herring Prospectus has been updated with inclusion of details (the detailed subject matter, state in which the case is being filed, amount involved, assessment year to which it pertains, any interim order passed by the authority) of the Tax Proceedings as reported in the DRHP as given below:

“
TAX PROCEEDINGS

The current matter pertains to income tax demands, with specific jurisdiction allocated to Bangalore for the Company and Hyderabad for the promoter. It is important to clarify that this scenario does not constitute a legal case but rather involves outstanding demands arising from an intimation under section 143(1) of the Income Tax Act. This intimation has been automatically generated by the system in relation to the company.

As it stands, the demand against the Company remains unresolved, and there have been no subsequent developments in this regard thus far. It is worth noting that these demands do not signify a formal legal proceeding but rather represent outstanding obligations stemming from the automated system-generated intimation.

Nature of Proceedings	Number of cases	Amount involved* (₹. in lakhs)
Against the company		
Direct Tax (Income Tax)	1	13.35 ⁽¹⁾
Indirect Tax	Nil	Nil
Filed by the company		
Direct Tax (Income Tax)	Nil	Nil
Indirect Tax	Nil	Nil
Total	1	13.35
Against the Promoters and Directors		
Mr. Vishesh Handa		
Direct Tax (Income Tax)	1	19.79 ⁽²⁾
Indirect Tax	Nil	Nil
Total	1	19.79

*To the extent quantifiable

⁽¹⁾ **Litigation against the Company**

Detailed subject matter	<i>The matter involves the assessment of taxable income of the Company for the Assessment Year 2022-2023. The income tax authorities have made certain adjustment in the annual turnover declared by the Company in its income tax return thereby leading to an increase in income tax liability. In this regard, the income tax authority has issued the demand notice under Section 143(1a) of the Income Tax, 1961. Subsequently, the Company has submitted its reply to the Income Tax department on May 17, 2023 through the e-filing portal.</i>
State in which the case is being filed	<i>Income Tax Department</i>
Amount Involved	<i>₹13.35 lakhs</i>
Assessment Year	<i>2022-2023</i>
Any interim order passed by the authority	<i>None as on date</i>
Current Status	<i>Pending</i>

⁽²⁾ **Litigation against Mr. Vishesh Handa (Promoter)**

Detailed subject matter	<i>The case pertains to an alleged omission of income from salary from a previous job by the Assessee viz., Mr. Vishesh Handa, resulting in a discrepancy between Assessee's income tax calculation and the income tax authority's assessment. Subsequently, the Assessee has submitted his reply to the Income Tax department on July 19, 2023 on the</i>
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	<i>e-filing portal. There has been no further communication in this matter from the Assessee or the Income Tax Authorities.</i>
<i>State in which the case is being filed</i>	<i>Income Tax Department Pune</i>
<i>Amount involved</i>	<i>₹19.79 lakhs</i>
<i>Assessment year</i>	<i>2016-2017</i>
<i>Any interim order passed by the authority</i>	<i>None as on date</i>
<i>Current Status</i>	<i>Pending</i>

”

GOVERNMENT AND OTHER APPROVALS

The Section titled “*Government And Other Approvals*” beginning on page 216 of the Draft Red Herring Prospectus has been updated to include the following confirmation regarding the requirement of any other approval/ licenses for its business activities.

“

Material licenses/ approvals for which Company is yet to apply

Apart from the existing regulatory and other approvals obtained by the Company, currently, to the best of our knowledge and belief, the Company does not require any other approval/ licenses for its business activities.

”

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines and regulations issued by the Government of India or the guidelines and regulations issued by SEBI, established under Section 3 of the SEBI Act as the case may be, have been complied with and no statement made in this Addendum to the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SEBI Act, the SCRA, the SCRR, and the SEBI Act, each as amended or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Addendum to the Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Sd/-

Vishesh Handa
(Chairman & Managing Director)
DIN: 07842847

Date: September 06, 2023
Place: Bangalore

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines and regulations issued by the Government of India or the guidelines and regulations issued by SEBI, established under Section 3 of the SEBI Act as the case may be, have been complied with and no statement made in this Addendum to the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SEBI Act, the SCRA, the SCRR, and the SEBI Act, each as amended or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Addendum to the Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Sd/-

Mukunda Raghavendra
(Whole-time Director)
DIN: 10060683

Date: September 06, 2023
Place: Bangalore

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines and regulations issued by the Government of India or the guidelines and regulations issued by SEBI, established under Section 3 of the SEBI Act as the case may be, have been complied with and no statement made in this Addendum to the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SEBI Act, the SCRA, the SCRR, and the SEBI Act, each as amended or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Addendum to the Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Sd/-

Ankita Handa
(Non-Executive Director)
DIN: 08690084

Date: September 06, 2023
Place: Bangalore

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines and regulations issued by the Government of India or the guidelines and regulations issued by SEBI, established under Section 3 of the SEBI Act as the case may be, have been complied with and no statement made in this Addendum to the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SEBI Act, the SCRA, the SCRR, and the SEBI Act, each as amended or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Addendum to the Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Sd/-

Gaurav Jindal
(Independent Director)
DIN: 06892227

Date: September 06, 2023
Place: Fremont, CA

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines and regulations issued by the Government of India or the guidelines and regulations issued by SEBI, established under Section 3 of the SEBI Act as the case may be, have been complied with and no statement made in this Addendum to the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SEBI Act, the SCRA, the SCRR, and the SEBI Act, each as amended or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Addendum to the Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Sd/-

Purav D Shah
(Independent Director)
DIN: 05126728

Date: September 06, 2023
Place: Hyderabad

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines and regulations issued by the Government of India or the guidelines and regulations issued by SEBI, established under Section 3 of the SEBI Act as the case may be, have been complied with and no statement made in this Addendum to the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SEBI Act, the SCRA, the SCRR, and the SEBI Act, each as amended or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Addendum to the Draft Red Herring Prospectus are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

Sd/-

Ashish Nirmal
(Chief Financial Officer)
PAN: AKOPN5074H

Date: September 06, 2023
Place: Bangalore